

democratic power

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### February 2010

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## About Reform Scotland

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Reform Scotland is an independent, non-party think tank that aims to set out a better way to deliver increased economic prosperity and more effective public services based on the traditional Scottish principles of limited government, diversity and personal responsibility.

Geoff Mawdsley is the Director of Reform Scotland and Alison Payne is Reform Scotland's Research Director.

It should be noted that due to the conflict of interest with the role in relation to the National Galleries of Scotland, Ben Thomson has not been involved in the production of this report and the recommendations it makes.

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## Executive summary

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### Objective

This aim of this report is to look at the way in which central government in Scotland exercises power through a range of so-called quangos, the process by which this has come about and what the consequences have been.

Based on our analysis of the current situation in Scotland, Reform Scotland makes recommendations as to how we can ensure that political power is exercised accountably and transparently so that government serves the interests of the public.

### Findings

- Government has, over a period of many years, taken on responsibility for a wider range of functions. However, it has increasingly used non-departmental public bodies or quangos to deliver these functions rather than the traditional apparatus of government. Quangos are bodies which have a role in the processes of government, but which are not a government department or part of one and, therefore, operate at arm's length from ministers. This greater independence enables such bodies to do things which governments or local authorities maybe cannot. However, this comes at the price of diminished accountability whereby a lot of the functions of government are carried out by unelected boards.
- As of December 2009, the Scottish Government has identified 162 national public sector organisations in Scotland. Using the five commonly used categories of quangos or non-departmental public bodies, categories also used by the Public Appointments Board for Scotland, 115 of these bodies are classed as quangos. These 115 Non-Departmental Public Bodies (NDPBs) accounted for 43 per cent of Scottish Government spending in 2008-09.
- Despite a decrease in the number of quangos over the past ten years the number of quango employees has risen by 50 per cent. The information provided in the public sector employment statistics does not include those employed by either public corporations or the NHS, so this dramatic increase cannot be explained by an increase in NHS employment. There is also increasing controversy over the amounts paid to many quango employees.

- The Scottish Government is committed to reducing the number of public sector organisations by 25 per cent by 2011. As part of this process, the Public Services Reform Bill was introduced in May 2009 which, amongst other things, seeks to reduce the number of public bodies in Scotland by eight and introduces order-making powers to effect organisational change in specified public bodies. However, this is not the first attempt by a Scottish administration to reduce the number of quangos. In 2000, Henry McLeish promised a “bonfire of quangos” and in 2003 legislation was passed to establish a Commissioner for Public Appointments in Scotland and abolish five quangos.

## Policy recommendations

**Reforming Quangos:** We recommend that there is a much clearer distinction between what is a function of government and what is done by organisations that are independent of government. To achieve this, in those areas where government does act, it must be clearly and directly accountable to the public for its actions. Therefore, it follows that we should move towards a system in these areas in which government acts directly through civil servants in its own departments wherever possible. There should also be a presumption in favour of functions being performed by local authorities, where appropriate, to ensure accountability to local communities.

Where it is felt that functions would be performed better by an independent body or bodies, government would enter into an open and transparent contractual agreement, against agreed outcome measurements, with genuinely independent organisations to perform that role while providing them with any necessary funding.

This would require an examination of existing, non-departmental public bodies to decide whether their functions should be brought in-house or whether they should be turned into independent bodies.

For example, the functions of Scottish Enterprise, Highlands and Islands Enterprise, VisitScotland and the Scottish Environment Protection Agency could largely be brought back in-house so that ministers or local authorities are more directly accountable for these areas of policy. Any residual technical or advisory functions which required greater independence of action could be performed by independent bodies.

Equally, there are a number of current non-departmental public bodies such as the Scottish Law Commission, Royal Botanic Garden and National Museums of Scotland which could be made independent of government contracting with the government to provide certain services or achieve particular government priorities. Such bodies would be free to negotiate their own financial settlements with the Scottish Government in the future. With regard to health boards, as outlined in our report 'Patient Power', we would recommend that their role is changed so that they become the champions of patients, with responsibility for commissioning care on their behalf. They would be turned into 14 area-based, independent mutual organisations known as Health Commissioning Co-operatives, owned by their members and with direct patient representation on their boards to ensure they are run in their interests. They would be statutory bodies, regulated by the Scottish Government or its agencies and receiving their funding from the Scottish Government as at present.

This transfer of bodies into the third sector will not only provide greater clarity as to what is a function of government and what is provided by independent bodies, but also help to shift power from government to civil society so strengthening the third sector in Scotland.

## Conclusion

Too much political power in Scotland is currently exercised by quangos which operate in a 'no man's land' where they are neither fully democratically accountable nor fully independent of government.

This creates a lack of openness and accountability which 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.

Reform Scotland's remedy for this problem would mean that so-called quangos would virtually cease to exist. In respect of each body, a decision would be taken as to whether its functions should be transferred to existing government departments reporting directly to a minister or the quangos turned into genuinely autonomous

bodies. In the case of some quangos, certain functions might be taken over by government departments and others given to independent bodies. There is also plenty of scope for government functions to be devolved to local authorities.

This would not only introduce greater clarity into the political process in Scotland, but would also enhance the accountability of politicians to the electorate for their actions by forcing government to be open about what they were trying to achieve and how they proposed to achieve it.

# 1. Quangos in Scotland

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## 1.1 Background

A 'quango' or quasi-autonomous non-governmental organisation, also known as a Non-Departmental Public Body (NDPB), is an organisation that has responsibility for developing, managing and delivering public policy objectives at 'arm's length' from government. Such bodies carry out a wide role in the delivery of public services in Scotland ranging from culture to healthcare and the environment to justice. NDPBs have a long history of operation in the UK and have become part of public sector delivery. In particular, NDPBs carry out statutory, regulatory and advisory functions at arm's length from government. These organisations receive at least 50 per cent of their funding from central government<sup>1</sup> and are managed by a Board whose members are appointed by Government Ministers.

There are 115 Scottish NDPBs operating in Scotland which come in a variety of shapes and sizes. However there are also a number of UK quangos which operate in Scotland, for example the Royal Mail and the Energy Saving Trust<sup>2</sup>. This report deals only with Scottish quangos, which are the responsibility of the Scottish Government. For the purposes of this report, we have used the commonly-accepted five categories, also used by the Public Appointments Board for Scotland. These are<sup>3</sup>:

- **Executive NDPBs** – There are 35 Executive NDPBs which have a national remit and carry out administrative, commercial, executive or regulatory functions at arm's length from government. They are normally established by statute, Royal Charter or as companies limited by guarantee. Most NDPBs have boards appointed by Scottish Ministers which are subject to the Office of the Commissioner for Public Appointments in Scotland (OCPAS).
- **Advisory NDPBs** – There are 14 Advisory NDPBs which have a national remit and carry out advisory functions providing specialist advice to ministers and others.

1 [www.appointed-for-scotland.org/About-public-bodies/](http://www.appointed-for-scotland.org/About-public-bodies/)

2 The TaxPayers Alliance have compiled a list of all quangos operating in the UK - [www.taxpayersalliance.com/sapb.pdf](http://www.taxpayersalliance.com/sapb.pdf)

3 [www.appointed-for-scotland.org/About-public-bodies/](http://www.appointed-for-scotland.org/About-public-bodies/)

- **Tribunals** – There are 38 tribunals, though 32 of these are children’s panels. These are responsible for tasks and advice relating to specialist areas of the law, carry out judicial functions while being separate from the formal court system.
- **Public Corporations** – There are five public corporations which are industrial or commercial enterprises under the direct control of ministers.
- **NHS bodies** – There are 23 NHS bodies which provide management, technical or advisory services within the NHS.

(It should be noted that the Scottish Government is currently examining all national public bodies, not just quangos. This is discussed in further detail in [section 1.3](#))

The relationship between ministers and different NDPBs can be complicated, as outlined in the following written answer from Michael Russell from April 2008:<sup>4</sup>

*“The ability of ministers and officials to instruct or direct non-departmental public body (NDPB) delivery partners is part of the long established governance framework between government and the bodies they sponsor.*

*“Within this delivery relationship, there is a wide range of terminology used to describe instructions that can be given to NDPBs and this is normally contained in enabling legislation or other relevant corporate documentation underpinning the governance framework. The scope of instruction and direction can also vary considerably, ranging from simple accounting matters to issues of substance and can cover procedures and timescales where ministers believe there is a public interest. Whether of a general or specific nature, powers of direction allow government to exercise the degree of control necessary to ensure parliamentary, ministerial and public accountability for bodies in receipt of government funds.*

*“The way in which the Scottish Government discharges these core functions is not recorded separately or given prominence over other issues of sponsorship activity. In addition, the way in which directions can be invoked and communicated will vary depending on the individual circumstances or context.*

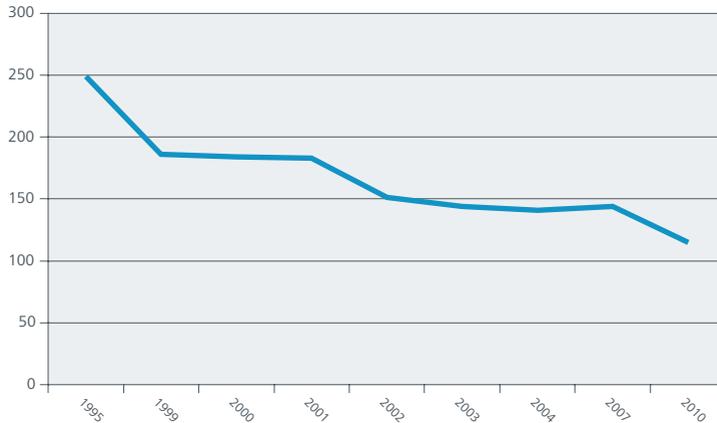
*“The governance framework which confers NDPB status provides for a degree of ministerial judgement in deciding the most appropriate level of interaction between body and government.”*

<sup>4</sup> S3W-10981

## 1.2 Numbers and cost

Despite a few blips, since devolution the number of quangos in Scotland has generally fallen, from 186 in 1999 to 115 in 2010, as illustrated by [Figure 1](#).

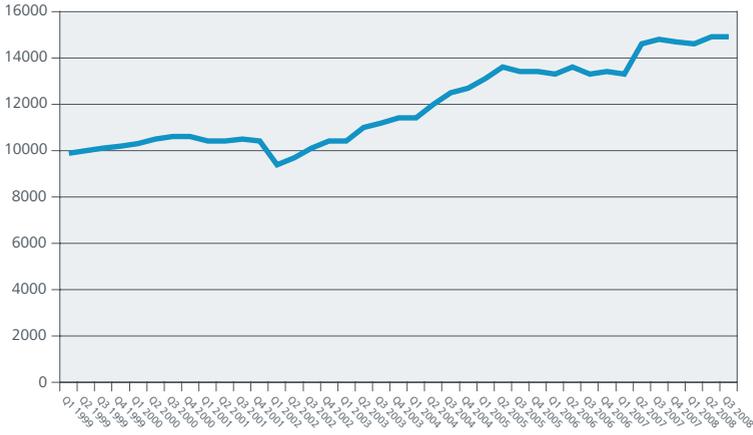
**Figure 1:** Number of quangos in Scotland, 1995-2010<sup>5</sup>



However, the number of bodies doesn't paint the whole picture. Although the overall figure has fallen, staffing levels have risen by 50 per cent from 9,900 in quarter 1 of 1999 to 14,900 in quarter 3 of 2008 as illustrated by [Figure 2](#). The information provided for NDPB employment in the public sector employment statistics does not include those employed by either public corporations or the NHS, so this dramatic increase cannot be explained by an increase in NHS employment.

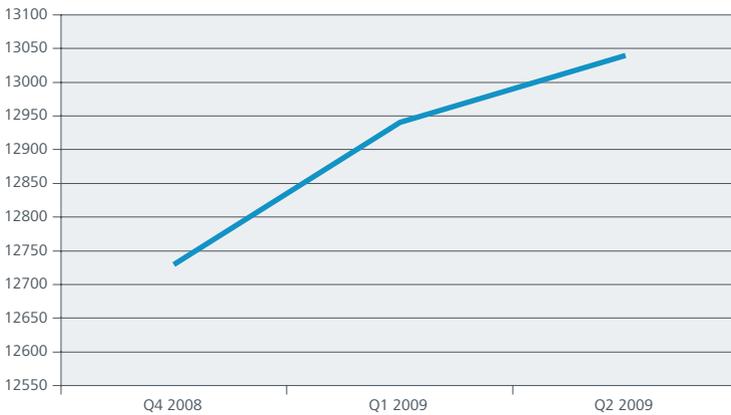
<sup>5</sup> Scottish Parliament written Answer S2W 8423, Scottish Government's Simplification Tracker for Public Bodies, Scottish Government's Public Bodies Directory.

Figure 2: Non-departmental public bodies' employment 1999-2008 full time equivalent<sup>6</sup>



The chart only goes up to the third quarter of 2008 as subsequent copies of the Scottish Government's publication on public sector employment no longer included a separate column for NDPBs. However, in answer to written parliamentary question S3W-26488 John Swinney provided some more recent staff headcount figures as illustrated in Figure 3.

Figure 3: Headcount figures for Executive NDPBs, Advisory NDPBs and Tribunals 2008 - 2009<sup>7</sup>



6 Scottish Government, 'Public Sector employment in Scotland: Statistics for 3rd quarter of 2008', December 2008

7 Scottish Parliament written answer, S3W-26488

Of course, with high levels of staff come high salary costs. Research carried out by the Scottish Liberal Democrats at the end of 2009, covering a wider area than just quangos, highlighted that six Scottish public executive board members have a higher salary than either the Prime Minister (£197,000) or the First Minister (£145,000)<sup>8</sup> and a further 1,596 employees are paid between £80,000 and £100,000 – more than a Scottish Government minister. The Liberal Democrats' Freedom of Information requests revealed that the total salary bill for the highest-paid is at least £400 million a year. Many of the highest salaries are within the NHS, with the Chief Executives of NHS Ayrshire & Arran and NHS Lothian both earning £230,000. However, there are many other NDPBs awarding high salaries. For example, the Chief Executive of Scottish Water earns £263,000, the former Chief Executive of Scottish Enterprise earned £203,000 and the Chief Executive of VisitScotland earns £146,000.<sup>9</sup>

Salaries account for only part of the considerable amount of public money spent on NDPBs in Scotland. In 2008-09, the Scottish Government spent £13.3 billion on quangos<sup>10</sup> out of a total Scottish Administration budget of £31.1 billion<sup>11</sup> – roughly 43 per cent. Although the majority of this (£9.8 billion or 73 per cent of total quango spending) is accounted for by NHS bodies, £3.5 billion, just over 10 per cent of the Scottish budget, is spent on other quangos. [Annex 2](#) lists all individual budgets from 2008-09 for quangos in Scotland, broken down by category<sup>12</sup>.

### 1.3 Bonfires and legislation

In 2007 John Swinney, Cabinet Secretary for Finance and Sustainable Growth, set out the Scottish Government's strategy to slim down the public sector in a speech to the Scottish Parliament:

*"Over the next four years, we aim to deliver a clearer, simpler and more effective public sector structure. In parallel with our ambition for smaller, more focused government, we will work to make the most of every public pound."<sup>13</sup>*

As part of this process, the Scottish Government's public services reform

8 Macleod. A, "'Fat cats' in public sector should share pain of recession" says Lib Dem leader', The Times, 20/11/09

9 Naysmith. S, 'Six Scottish quango bosses are paid more than the PM and First Minister', Herald, 19/11/09

10 Scottish Government, National Public bodies Directory

11 Scottish Government, Scotland's Budget Documents 2008-09, 2008

12 Scottish Government, National Public bodies Directory

13 Scottish Parliament Official Report 24 May 2007

agenda has created the Effective Public Bodies Programme aimed at working in partnership with public bodies to make them more efficient. A key part of this is the simplification programme to remove areas of overlap and duplication as well as reducing the overall number of public bodies by 25 per cent by April 2011<sup>14</sup>. The Government has said that the reduction can be made without the need for compulsory redundancies with the aim of refocusing the skills towards front-line delivery to improve how public bodies operate.

However, it is important to note that the Government's programme covers all national public bodies, not just quangos. In addition to the five types of NDPBs mentioned earlier, the Government is also looking at the following:

- **Executive Agencies** – are constituent parts of Scottish Government with a stronger focus on operational management and direct delivery of public services. They are headed by a Chief Executive who, together with the agency staff, is a civil servant.
- **Non-Ministerial Departments** – are headed by a statutory office holder and operate at arm's length from Government.
- **Commissioners & Ombudsmen** – have a range of roles including safeguarding the rights of particular groups in society and reporting on, monitoring and handling complaints about the activity of public organisations.
- **Others** – there are a range of other significant national organisations.

**Annex 1** lists all the national public bodies in the Government's simplification tracker and which category they fall into.

As part of this process, the number of organisations has already been reduced from the Government's baseline figure of 199 (from October 2007) to 162.<sup>15</sup>

In May 2009, the Cabinet Secretary for Finance and Sustainable Growth, John Swinney, published "Public services reform: simplification and improvement update", which commented on the simplification process. In its introduction, he stated:

*"Our aim is to refocus the skills and expertise of staff towards front-line delivery*

<sup>14</sup> SPICe Research briefing SB09-55

<sup>15</sup> <http://www.scotland.gov.uk/Topics/Government/public-bodies/simplification-programme>

*and support and to deliver real improvements in how public bodies operate individually and together to benefit service users and the wider public.*

*“By simplifying the public sector landscape we aim to inject new focus and energy into what public bodies do and to ensure that they work constructively to better deliver our core purpose and objectives for the people of Scotland and contribute to the vital process towards sustainable economic recovery.”<sup>16</sup>*

As part of the simplification, the Government is aligning all national public bodies in Scotland to the Government’s purpose of sustainable economic growth and the National Performance Framework.

The process also includes the Scottish Government pursuing the Public Services Reform (Scotland) Bill which includes provisions to simplify public bodies, including the transfer and delegation of certain functions and the dissolution of certain bodies.

Against this backdrop, it could be argued that the Scottish Government has recognised that there are a huge number of national public bodies in Scotland providing an array of services which has led to a very clumsy and non-transparent public sector. However, this recognition will not necessarily lead to success as this is not the first time a Scottish Administration has appeared to reach this conclusion. Previous administrations have also called for a bonfire of quangos, scrapped NDPBs and introduced streamlining legislation. During the first term of the Scottish Parliament, the Public Appointments and Public Bodies etc (Scotland) Act 2003 was passed. This Act established a Commissioner for Public Appointments in Scotland to monitor appointments to public bodies and abolished five quangos - the Ancient Monuments Board for Scotland; the Historic Buildings Council for Scotland; the Scottish Hospital Trust; the Scottish Medical Practices Committee and; the Scottish Conveyancing and Executry Services Board.<sup>17</sup> However, despite these cuts more quangos were created and NDPB staff levels continued to rise.

While these previous and planned reductions in NDPBs should be welcomed, there is a danger that bonfires of quangos occur simply for quick headlines and to be seen to be cutting back on government waste and bureaucracy, rather than as a response to the real problem. The use of so many NDPBs is

<sup>16</sup> Scottish Government, ‘Public services reform: simplification and improvement update’, May 2009

<sup>17</sup> Public Appointments and Public Bodies etc. (Scotland) Act 2003

expensive, inefficient and unaccountable, yet such organisations are carrying out more and more public work. Unless there is a change in attitude to the increasing use of quangos, there is a danger that the current bonfire will be short lived as more NDPBs, as in the past, start to be created once again.

#### 1.4 What is wrong with the current situation?

Many of the functions carried out by NDPBs are admirable and contribute in important ways to public life in Scotland. Reform Scotland is not criticising the functions of NDPBs or saying that their work should be done away with. However, we do believe that the current way these functions are carried out needs to be changed.

The problem is that using arm's length bodies to carry out key activities can lead to a lack of transparency and accountability. A democracy should have an established and clear chain of accountability to the electorate. Civil servants tend to work in a government department headed by a minister who is accountable to the Scottish Parliament between elections and to the public at elections. Therefore, there is a clear line of accountability between public sector action and the electorate. 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. However, the growth of quangos has distorted accountability because such organisations have less direct ministerial involvement. This also allows government to hive off difficult decisions to non-government bodies and not suffer the consequences.

Quangos are responsible for spending huge amounts of taxpayers' money yet are not directly accountable to the taxpayer. For example, the Scottish Further and Higher Education Funding Council (SFC), an Executive NDPB, received over £1.7 billion from the Scottish Government in 2008-9. The organisation's mission is to *"invest in the development of a coherent college and university system which, through enhanced learning, research and knowledge exchange, leads to improved economic, educational, social, civic and cultural outcomes for the people of Scotland."*<sup>18</sup> In other words, part of their duty is to fund universities and colleges in Scotland. The Scottish Government gives the organisation money, which it, in turn, gives to colleges and universities. If the money were given

<sup>18</sup> [http://www.sfc.ac.uk/about\\_the\\_council/Whatwedo/about\\_us\\_what.aspx](http://www.sfc.ac.uk/about_the_council/Whatwedo/about_us_what.aspx)

directly by the Scottish Government to colleges and universities, this would mean that the way this £1.7 billion was divided up was directly accountable to the tax-paying public and was transparent. However, by using a quango it is neither. The SFC even states on its website that part of its job is to “develop policies and strategies which support Scottish Government priorities”. Given the direct link to the Government’s priorities, would it not make more sense for the organisation to be a fully-fledged government department.

Like the funding of further and higher education, most policy areas covered by non-departmental public bodies are the responsibility of Scottish Government Ministers. The Ministerial responsibilities of the current Scottish Government are set out below<sup>19</sup>:

**First Minister - Alex Salmond:** Head of the devolved Scottish Government: responsible for development, implementation and presentation of Government policy, constitutional affairs including Referendum Bill, and for promoting and representing Scotland.

**Minister for Culture and External Affairs - Fiona Hyslop:** Europe, external affairs, culture and the arts, architecture, built heritage, Historic Scotland, major events strategy, and Gaelic.

**Minister for Parliamentary Business - Bruce Crawford:** Parliamentary affairs and the management of Government business in the Parliament.

**Deputy First Minister and Cabinet Secretary for Health & Wellbeing - Nicola Sturgeon:** NHS, health service reform, allied healthcare services, acute and primary services, performance, quality and improvement framework, health promotion, sport, public health, health improvement, pharmaceutical services, food safety and dentistry, community care, older people, mental health, learning disability, substance misuse, social inclusion, equalities, anti-poverty measures, housing and regeneration.

**Cabinet Secretary for Finance and Sustainable Growth - John Swinney:** The economy, the Scottish Budget, public service reform, de-regulation, local government, public service delivery, cities and community planning, General Register Office, Registers of Scotland, relocation, e-government, Scottish Public Pensions Agency, procurement, budgetary monitoring, business and industry including Scottish Enterprise, Highlands and Islands Enterprise, trade and inward investment, corporate social responsibility, voluntary sector and the social economy, community business and corporate development, European Structural Funds, energy, tourism, land use planning system,

<sup>19</sup> Scottish Government website: <http://www.scotland.gov.uk/About/14944/Scottish-Cabinet>

climate change, building standards, transport policy and delivery, public transport, road, rail services, air and ferry services, Scottish Water and lottery funding.

**Cabinet Secretary for Education and Lifelong Learning - Michael Russell:** Further and higher education, science and lifelong learning, school education, training and skills, HM Inspectorate of Education and the Scottish Qualifications Authority, nurseries and childcare, children's services, children's hearings, social work and HM Social Work Inspectorate.

**Cabinet Secretary for Justice - Kenny MacAskill:** Criminal law and procedure, youth justice, criminal justice social work, police, prisons and sentencing policy, legal aid, legal profession, courts and law reform, anti-social behaviour, sectarianism, human rights, fire and rescue services, community safety, civil contingencies, drugs policy and related matters, liquor licensing, vulnerable witnesses, victim support and civil law, charity law, religious and faith organisations.

**Cabinet Secretary for Rural Affairs and the Environment - Richard Lochhead:** Agriculture, fisheries and rural development including aquaculture and forestry, environment and natural heritage, land reform, water quality regulation and sustainable development.

Executive NDPBs cover a range of different areas and functions with their main problem being a lack of accountability. However, because the other categories of NDPBs are more specific, additional problems can be identified.

Advisory NDPBs carry out advisory functions providing specialist advice to Ministers. However, such advice can't be properly independent if the organisation itself isn't properly autonomous because without complete independence the government is able to interfere with decisions.

There are five public corporations in Scotland. The problem with such bodies is that they distort the market. For example, Western Ferries operate a ferry service between Gourock and Dunoon four times an hour each day. However, the state also subsidises Caledonian MacBrayne to operate a service between the two destinations which runs twice an hour and can undercut the private company.<sup>20</sup>

<sup>20</sup>In Reform Scotland's report '**Patient Power**', published in 2009, we outline the problems associated with the current NHS structure, including the 14 NHS Boards. The report demonstrated that although there had been improvements within

<sup>20</sup> It costs an adult passenger £3.60 on Western Ferries but £3.05 with Caledonian MacBrayne, [www.western-ferries.co.uk/genfares.shtml](http://www.western-ferries.co.uk/genfares.shtml), [www.calmac.co.uk/winter-timetable.html?id=winter-cowal-gourock-dunoon.gif](http://www.calmac.co.uk/winter-timetable.html?id=winter-cowal-gourock-dunoon.gif)

healthcare in Scotland, Scotland compared poorly with other European countries. Despite massive increases in funding it was not working as well as it could and was not sufficiently accountable to patients.<sup>21</sup> The fundamental problem is not a lack of resources, but an inefficient use of them. The difficulties of the NHS in Scotland are largely caused by the monopoly nature of the health service. Scotland has relied upon central direction through the use of targets to ensure that providers of health care deliver a good service. To some extent, it has led to improvements. However, it has clear limits because if waiting time targets are met within existing budgets there is no pressure to increase productivity further or to improve the service for patients. At the same time, targets can distort priorities as what is not targeted is often ignored. The major problem is that the health service denies patients control over the health care they receive by limiting their choice and the competition between providers. Patients have limited choice over where, when and how they are treated, for example of GP Practice or where they receive specialist care. In the absence of choice, there is no means of accurately measuring and responding to demand which leads to resources being misallocated. Further, a lack of choice means there is a lack of incentive for providers to improve as patients and funding will continue to be given to them even if they provide a poor service. This problem is made more acute because, as the health service is a monopoly provider, there is no opportunity for new providers to come in and attract patients and funding.

The one category which Reform Scotland believes is less problematic is tribunals. There are 38 tribunals in Scotland, though 32 of these are children's panels, which are judicial bodies separate from both the formal court system and the Scottish Government. Arguably, these NDPBs are an understandable and sensible type of arm's length body.

<sup>21</sup> Reform Scotland, 'Patient Power' 2009

## 1.5 Examples of problems

The problems with NDPBs having too much unaccountable responsibility can also be illustrated by reference to a couple of high profile crisis cases involving non-departmental public bodies.

The first involved the Scottish Qualifications Authority (SQA), an Executive NDPB, and the exam marking crisis of 2000. Although the then Education Minister Sam Galbraith was responsible for the SQA and even though pupils' education and examination are a key responsibility of government, because it was a quango that made mistakes, the Scottish Executive (as it was then) and the minister were able to avoid the blame.

In August 2000, the exam results given to thousands of pupils in Scotland sitting higher, standard grade, intermediate, and sixth year exams were flawed. Education Minister Sam Galbraith told Parliament that more than 15,000 pupils had received incomplete or inaccurate results and that 120,000 subject appeals had been lodged, almost three times the normal amount. Sam Galbraith laid the blame for the fiasco at the door of the SQA and highlighted the fact that, as a quango, the SQA *"appoints and controls its own staff, who are not civil servants."*<sup>22</sup> In other words, this was not the Scottish Executive's fault. The SQA, in turn, blamed the problem on data management and administrative errors and ultimately the Chief Executive, Ron Tuck, resigned.

There were, unsuccessful, calls made by opposition parties at the time for the Education Minister to resign. However, as the errors had been made by a body outwith his control, he was able to survive. The question is whether such an important responsibility as ensuring the effectiveness of Scotland's examination system should be left without proper public accountability and transparency.

Another similar situation concerns the tourism body VisitScotland which is also an Executive NDPB. VisitScotland was created in 2005 as a national tourism body to replace area tourist boards which had previously been responsible for attracting visitors to their areas. However, the organisation has been criticised for losing touch with the regions and focusing too much on trying to establish a whisky-and-golf dominated national brand.<sup>23</sup> VisitScotland receives most

<sup>22</sup> Scottish Parliament Official Report 6th September 2000

<sup>23</sup> Leask, D, 'Tourism in crisis as capital goes solo', Scotland on Sunday, 1/3/09

of its income from the Scottish Government, however it also receives money from Scottish councils. In 2009, Edinburgh City Council announced that it would withdraw its £500,000 a year funding and go it alone, believing it could attract more visitors by spending the same amount of cash itself.

One problem that has affected a number of NDPBs is a cash crisis. While some have been bailed out by central government, the additional money has not always been available or deemed to be an efficient use of resources which can lead to the demise of a public body. One such example was the case of NHS Argyll & Clyde.

In 2005 the Health Board, which covered 42,000 people, had overspent by £80 million. The then Health Secretary Andy Kerr said *"I do not think that the executive could justify allowing a publicly-funded body to spend so much more than its income"*.<sup>24</sup> (Three years previously four senior managers of the board resigned after a report by a Scottish Executive support team found a culture of managerial and financial incompetence.)

As a result, ministers wrote off the debt and dissolved Argyll and Clyde NHS Board, merging part of it with Glasgow to become NHS Greater Glasgow & Clyde and part of it with NHS Highland.

Similarly, in 2006 the Scottish Executive had to bail out Scottish Enterprise to the tune of £60 million after the development agency overspent on the previous year's budget by £34 million on top of a recurring £25 million shortfall.<sup>25</sup>

However, even the way in which quangos spend their money can cause outrage and further emphasises the accountability gap. For example, in December 2009 NHS Health Scotland were found to be spending up to £300,000 on public relations experts to improve the organisation's relationship with MSPs.<sup>26</sup> However, following pressure from Health Secretary Nicola Sturgeon the plans were abandoned.<sup>27</sup>

Another example involves SportScotland which has been criticised for employing an ethics policy adviser who earns up to £37,000 a year.<sup>28</sup>

<sup>24</sup> BBC News Online, 'Health board goes under the knife', 19/5/05

<sup>25</sup> Evening News, 'Scottish Enterprise set for bail-out as funding gap hits £60m', 10/5/06

<sup>26</sup> Peterkin. T, 'Health quango spends up to £300,000 to improve image', Scotsman, 23/12/09

<sup>27</sup> Peterkin. T, 'Climbdown after NHS quango tries to spend £300,000 on PR firm', 21/1/10

<sup>28</sup> MacDonald. S, '£3m 'wasted on quango non-jobs' in Scotland', The Times, 4/10/09

## 2. Policy recommendations

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### 2.1 What should happen to quangos?

The purpose of this report is not to argue that the functions currently the responsibility of NDPBs should not be carried out. Instead, Reform Scotland is arguing for an end to the ever-increasing quango culture in Scotland and a different and better way of carrying out these functions. To date, every Scottish administration since devolution has argued that there should be a reduction in the number of quangos, yet every administration has also created new quangos and seen an increase in quango employees. The use of such quasi-governmental organisations is not transparent and blurs the lines of accountability far too much.

As a result, we recommend that there is a much clearer distinction between what is a function of government and what is done by organisations that are independent of government. Independence clarifies the accountability of the organisation but does not prevent it from receiving government money. Like many third sector organisations, the government can enter into a contract with the organisation to provide certain services and can agree set outcome measurements.

However, in those areas where government does act, it must be clearly accountable to the public for its actions. Therefore, it follows that we should move towards a system in which government acts directly through civil servants in its own departments wherever possible. There should also be a presumption in favour of functions being performed by local authorities, where appropriate, to ensure accountability to local communities.

This would require an examination of existing non-departmental public bodies to decide whether their functions should be brought in-house or whether they should be turned into independent bodies.

Such independent bodies could still receive the bulk of their funding from government by government contracting with the organisations to provide certain services or achieve particular government priorities. Such bodies would be free to negotiate their own financial settlements with the Scottish Government in the future. This transfer of bodies into the third sector will not only provide greater clarity as to what is a function of government and

what is provided by independent bodies, but also help to shift power from government to civil society so strengthening the third sector in Scotland.

With regard to the specific categories of quangos, we would recommend the following:

Each Executive NDPB should either be incorporated into government or become a fully independent body which can then negotiate with government for funding. The idea that NDPBs which carry out work which is governmental in nature should be integrated with government is one which has been pursued by the Welsh Assembly. In 2004, then Welsh First Minister Rhodri Morgan announced plans for a number of quangos to be brought within the Assembly Government including the Welsh Development Agency, the Wales Tourist Board and Education and Learning Wales.<sup>29</sup> However, once functions have been brought back into the Government, the possibility of devolving them down to local authorities should be examined so that power is exercised as close to those affected as possible.

Advisory NDPBs should become fully autonomous, independent bodies so that the advice they give is properly independent.

Public corporations should become independent bodies.

With regard to NHS bodies, as outlined in '[Patient Power](#)', published by Reform Scotland in 2009, we believe that the 14 NHS boards should be reformed and replaced with 14 area-based independent mutual organisations called Health Commissioning Co-operatives. These bodies would be owned by their members with direct representation for patients and other stakeholders on their boards. The bodies could be set up either as Industrial and Provident Societies or Community Interest Companies and could devolve power downward to local community bodies. They would be statutory bodies, regulated by the Scottish Government or its agencies and receiving their funding from the Scottish Government as at present. They would be specifically charged with ensuring the provision of essential local services such as Accident and Emergency and that patients were given a choice as to the care they received. This would require them to act as 'honest brokers', disseminating all the relevant information

<sup>29</sup> Macleavy, J & Gay, O, 'The Quango debate', House of Commons Research Paper 05/30, 2005

on health outcomes and quality of care so that patients and their GPs could make an informed choice based on the performance and quality of care offered by different providers. Money would flow through the system based on the choices of patients with the NHS tariff following the patient to the provider of his or her choice, ensuring that the system was focussed on the needs of patients. GPs would continue to perform the role of gatekeepers to further NHS-funded health care with Health Commissioning Co-operatives contracting with GP Practices to provide primary care services. The new General Medical Services Contract allows Health Boards to negotiate with GP Practices for additional services. This should be extended with far greater discretion given to the new Health Commissioning Co-operatives to negotiate their own local contracts for primary care services within a national framework set out by the Scottish Government.

The other nine NHS bodies that are not health boards should be brought back into government.

Finally, Reform Scotland recommends that tribunals are an exception and should be left alone since they perform a specific role and their current structure fits their purpose.

## 2.2 Case studies

Reform Scotland's overriding recommendation is that the majority of quangos should be abolished with their functions transferred over to government or fully independent organisations. We have outlined some case studies below of different ways in which this could be done – these are not prescriptions, simply a variety of suggestions to illustrate ways to enhance accountability and transparency.

### VisitScotland

VisitScotland, an Executive NDPB, was established in April 2005 as Scotland's national tourism organisation with 14 area offices, replacing the previous 14 Area Tourist Boards. The organisation has three key priorities - to attract visitors to Scotland, to engage with partners within the industry and to add value to the visitor experience.<sup>30</sup> In 2008-09, Scottish Government funding for VisitScotland amounted to £50.3 million.<sup>31</sup>

<sup>30</sup> [www.scotexchange.net](http://www.scotexchange.net)

<sup>31</sup> Scottish Government, National Public Bodies Directory.

However, in recent years the organisation has come in for plenty of criticism. In 2008, The Royal Society of Edinburgh said that Scotland's tourism body was too centralised, focused too much on successful areas rather than those that need support and did not have enough funding.<sup>32</sup> In May 2009, MSPs criticised the organisation for its handling of the loss-making website VisitScotland.com<sup>33</sup> and, as mentioned already, Edinburgh City Council has withdrawn its financial contribution towards the organisation believing the city could do a better job in attracting visitors itself.

Reform Scotland believes that, particularly with the organisation's turbulent past, there is a strong argument that this body should be re-incorporated into government. However, whilst there may be some merit in having a small, Scotland-wide tourism department within the Government, many of the functions of VisitScotland could be devolved down to local authorities. This would not stop local authorities, should they choose, from working together on some aspects of tourism.

### National Museums of Scotland

The National Museums of Scotland has charitable status and was created in 1985 by the amalgamation of the National Museum of Antiquities of Scotland and the Royal Scottish Museum. The Executive NDBP operates five museums, the National Museum of Scotland, the National War Museum in Edinburgh Castle, the National Museum of Flight, the National Museum of Rural Life and the National Museum of Costume.

The main functions of the organisation include caring for and preserving the collections, promoting public awareness and appreciation of the collections and providing education and research.

In 2008-9, National Museums of Scotland received £37.4 million from the Scottish Government.<sup>34</sup>

According to the National Museums of Scotland Annual Accounts 2009<sup>35</sup>, the organisation has commenced work on linking their contribution to the

<sup>32</sup> Haworth, J, 'Poorly performing VisitScotland should be scrapped – report', September 2008

<sup>33</sup> The Herald, 'VisitScotland boss slated by MSPs over website', May 2009

<sup>34</sup> Scottish Government, National Public Bodies Directory.

<sup>35</sup> National Museums of Scotland, Annual Report and Accounts, 2009

Government's overall purpose and the body works towards 15 National Outcomes.

Reform Scotland recognises the important work that the National Museums of Scotland do, however we think that the organisation could be removed from the 'no-man's land' of quangos and made into a body fully independent from Government. The new body would be free to negotiate its own financial settlements with the Scottish Government in the future and the transfer into the third sector would provide greater transparency and accountability while shifting power from government to civil society so strengthening the third sector in Scotland.

Certain restrictions could be placed on the new body to ensure that the museums do not suddenly become more expensive or to prevent them being sold off.

Becoming an independent body could also allow National Museums of Scotland to borrow funds, which they are not allowed to do currently<sup>36</sup>, as well as giving them wider powers to invest funds.

### Scottish Enterprise

Scottish Enterprise, an Executive NDPB, started operations on 1 April 1991 under the Enterprise and New Towns (Scotland) Act 1990. This act merged the former Scottish Development Agency (SDA) and the Scottish Training Agency (STA) to form one integrated body.

SE has approximately 900 staff and operates from 12 offices across 5 regions.

Scottish Enterprise is largely funded by the Scottish Government, although it also raises part of its budget from other sources such as property rental and disposal of assets. In 2008/9, the total Scottish Government funding for Scottish Enterprise amounted to £287.3 million<sup>37</sup>.

In September 2007, the Cabinet Secretary for Finance and Sustainable Growth announced major reforms to Scottish Enterprise, following a Review of the Enterprise Networks. This included the transfer of Careers Scotland and lead responsibility for skills activities to Skills Development Scotland and the transfer of Business Gateway and local regeneration activities to local authorities. In

<sup>36</sup> National Museums of Scotland, Annual Report and Accounts, 2009

<sup>37</sup> Scottish Government, National Public Bodies Directory

addition, these reforms included the cessation of operational delivery through Local Enterprise Companies and a radical restructuring of the organisation which led to a substantial reduction in headcount and costs. These changes took place in the run up to 1 April 2008 and since then Scottish Enterprise has operated as a single organisation.

According to Scottish Enterprise's website their ultimate goal is to stimulate sustainable growth of Scotland's economy. This is achieved by the organisation helping ambitious and innovative businesses grow and become more successful as well as working with public and private sector partners to develop the business environment in Scotland and delivering a range of dedicated support services locally, nationally and internationally.

Whilst not commenting on the merit of the particular functions carried out by Scottish Enterprise, there is no reason why such functions cannot be carried out directly by the Government. Therefore, Reform Scotland would recommend that these functions are transferred back to the Scottish Government, making operations and such large spending allocations the responsibility of ministers and, therefore, fully accountable and transparent to the public.

### 3. Conclusion

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Many Non-Departmental Public Bodies carry out important work which contributes to life in Scotland. While Reform Scotland is not necessarily disagreeing with the functions carried out by Scotland's quangos, we believe that the way in which they are carried out is neither accountable nor transparent. It is unacceptable for almost 50 per cent of the Scottish budget to be spent by individuals who are not properly accountable. As a result, Reform Scotland has called for these organisations to be either a direct part of government and, therefore, the responsibility of a minister, or to be made wholly independent. This does not mean that they would necessarily receive a different level of funding from government, but would ensure a far more transparent system of government.

Previous Scottish administrations, as well as the current SNP one, have spoken about the need to reduce the number of quangos. However, until politicians realise that the problem is not a numbers game, but rather an inherent problem with the nature of quangos themselves, it is likely that bonfires will simply be followed by a return to form – the creation of new quangos, an increase in quango employees and their budgets. As the Scottish Government embarks on its simplification programme, it should be looking at our quangos and asking questions posed by Tony Benn a number of years ago:

*“What power have you got? Where did you get it from? In whose interests do you exercise it? To whom are you accountable? And how can we get rid of you?”*

Tony Benn, Speech to the House of Commons, 22 March 2001

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## Annex 1 – Scottish Government’s Simplification Tracker for Public Bodies

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In October 2007, the Scottish Government published a comprehensive baseline of 199 national public sector organisations for which it is responsible and could reform. The Government’s programme covers all national public bodies, not just quangos.

It committed to reducing this number by 25 per cent by 2011 through its Simplification Programme. The following table details the changes that have been made. As at December 2009, the number of national public organisations has reduced to 162. This includes a net reduction of 11 bodies from the Simplification Programme and 26 Justice of the Peace Advisory Committees announced by the previous administration but which did not come into effect until December 2007.

### Executive NDPBs

Baseline Position - October 2007	December 2009
Accounts Commission for Scotland	Accounts Commission for Scotland
Bòrd Gàidhlig na h-Alba	Bòrd Gàidhlig na h-Alba
Cairngorms National Park Authority	Cairngorms National Park Authority
Crofters’ Commission	Crofters’ Commission
Deer Commission for Scotland	Deer Commission for Scotland
Highlands and Islands Enterprise	Highlands and Islands Enterprise
Learning & Teaching Scotland	Learning & Teaching Scotland
Loch Lomond and The Trossachs National Park Authority	Loch Lomond and The Trossachs National Park Authority
National Galleries of Scotland	National Galleries of Scotland
National Library of Scotland	National Library of Scotland
National Museums of Scotland	National Museums of Scotland
Police Complaints Commission for Scotland	Police Complaints Commission for Scotland
Risk Management Authority	Risk Management Authority
Royal Botanic Garden, Edinburgh	Royal Botanic Garden, Edinburgh
Royal Commission on the Ancient and Historical Monuments of Scotland	Royal Commission on the Ancient and Historical Monuments of Scotland
Scottish Agricultural Wages Board	Scottish Agricultural Wages Board
Scottish Arts Council	Scottish Arts Council

Scottish Children's Reporter Administration	Scottish Children's Reporter Administration
Scottish Commission for the Regulation of Care	Scottish Commission for the Regulation of Care
Scottish Criminal Cases Review Commission	Scottish Criminal Cases Review Commission
Scottish Enterprise	Scottish Enterprise
Scottish Environment Protection Agency	Scottish Environment Protection Agency
Scottish Further and Higher Education Funding Council	Scottish Further and Higher Education Funding Council
Scottish Legal Aid Board	Scottish Legal Aid Board
Scottish Natural Heritage	Scottish Natural Heritage
Scottish Police Services Authority	Scottish Police Services Authority
Scottish Qualifications Authority	Scottish Qualifications Authority
Scottish Screen	Scottish Screen
Scottish Social Services Council	Scottish Social Services Council
Scottish University for Industry	Functions transferred to Skills Development Scotland
SportScotland	New organisation incorporating the Scottish Institute of Sport
VisitScotland	VisitScotland
Water Industry Commission for Scotland	Water Industry Commission for Scotland
	Quality Meat Scotland (from Other category)
	Scottish Legal Complaints Commission (from Commissioners & Ombudsmen category)
	Skills Development Scotland (from proposed organisations category)

## Advisory NDPBs

Baseline Position - October 2007	December 2009
Advisory Committee on Sites of Special Scientific Interest	Advisory Committee on Sites of Special Scientific Interest
Architecture and Design Scotland	Architecture and Design Scotland
Building Standards Advisory Committee	Building Standards Advisory Committee
Fisheries (Electricity) Committee	Fisheries (Electricity) Committee
General Teaching Council for Scotland	General Teaching Council for Scotland
Historic Environment Advisory Council for Scotland	Historic Environment Advisory Council for Scotland. HEACS will cease to operate on 31 May 2009.
Justices of the Peace Advisory Committee (x32 multiple body)	Reduced to 6 and moved to Other Category
Local Government Boundary Commission for Scotland	Local Government Boundary Commission for Scotland
Mobility and Access Committee for Scotland	Mobility and Access Committee for Scotland
Public Transport Users Committee for Scotland	Public Transport Users Committee for Scotland
Scottish Advisory Committee on Distinction Awards	Scottish Advisory Committee on Distinction Awards
Scottish Industrial Development Advisory Board	Scottish Industrial Development Advisory Board
Scottish Law Commission	Scottish Law Commission
Scottish Local Authorities Remuneration Committee	Scottish Local Authorities Remuneration Committee
Scottish Records Advisory Council	Scottish Records Advisory Council
	Judicial Appointments Board. (from proposed organisations category)

## Tribunals

Baseline Position - October 2007	December 2009
Additional Support Needs Tribunals for Scotland	Additional Support Needs Tribunals for Scotland
Children's Panel (x32 multiple body)	Children's Panel (x32 multiple body)
Lands Tribunal for Scotland	Lands Tribunal for Scotland
Mental Health Tribunal for Scotland	Mental Health Tribunal for Scotland
Parole Board for Scotland	Parole Board for Scotland
Rent Assessment Panel for Scotland	Private Rented Housing Panel
Scottish Charity Appeals Panel	Scottish Charity Appeals Panel

## Public corporations

Baseline Position - October 2007	December 2009
Caledonian Maritime Assets Ltd	Caledonian Maritime Assets Ltd
David MacBrayne Ltd	David MacBrayne Ltd
Highlands and Islands Airports Ltd	Highlands and Islands Airports Ltd
Scottish Water	Scottish Water
	Scottish Futures Trust (from proposed organisations category)

## NHS bodies

Baseline Position - October 2007	December 2009
NHS 24	NHS 24
NHS Boards (14)	NHS Boards (14)
NHS Education for Scotland	NHS Education for Scotland
NHS Health Scotland Board	NHS Health Scotland Board
NHS National Services Scotland formerly known as the Common Services Agency	NHS National Services Scotland formerly known as the Common Services Agency
NHS Quality Improvement Scotland	NHS Quality Improvement Scotland
National Waiting Times Centre Board	National Waiting Times Centre Board
Mental Welfare Commission for Scotland	Mental Welfare Commission for Scotland
Scottish Ambulance Service Board	Scottish Ambulance Service Board
State Hospital Board for Scotland	State Hospital Board for Scotland

## Executive agencies

Baseline Position - October 2007	December 2009
Accountant in Bankruptcy	Accountant in Bankruptcy
Communities Scotland	Functions transferred to Scottish Government and residual regulator function transferred to Scottish Housing Regulator, an Executive Agency.
Fisheries Research Services	Abolished as stand alone Agency. Part of Marine Scotland - a delivery directorate of Scottish Government
Historic Scotland	Historic Scotland
HM Inspectorate of Education	HM Inspectorate of Education
Mental Health Tribunal Agency for Scotland	Abolished as stand alone Agency - brought into Scottish Government
National Archives of Scotland	National Archives of Scotland
Scottish Agricultural Science Agency	Abolished as a stand alone Agency and functions brought into Scottish Government
Scottish Building Standards Agency	Abolished as a stand alone Agency and functions brought into Scottish Government
Scottish Courts Service	Scottish Courts Service
Scottish Fisheries Protection Agency	Abolished as stand alone Agency. Part of Marine Scotland - a delivery directorate of Scottish Government
Scottish Prison Service	Scottish Prison Service
Scottish Public Pensions Agency	Scottish Public Pensions Agency
Social Work Inspection Agency	Social Work Inspection Agency
Student Awards Agency for Scotland	Student Awards Agency for Scotland
Transport Scotland	Transport Scotland
	Scottish Housing Regulator (from Communities Scotland agency)
	Disclosure Scotland (from proposed organisations category)

## Non Ministerial Departments (NMDs)

Baseline Position - October 2007	December 2009
Registers of Scotland	Registers of Scotland
Office of the Charity Regulator	Office of the Charity Regulator
General Register Office for Scotland	General Register Office for Scotland

## Commissioners & Ombudsmen

Baseline Position - October 2007	December 2009
<b>Parliamentary Appointments:</b>	<b>Parliamentary Appointments:</b>
Commissioner for Children and Young People in Scotland	Commissioner for Children and Young People in Scotland
Commissioner for Public Appointments in Scotland	Commissioner for Public Appointments in Scotland
Parliamentary Standards Commissioner	Parliamentary Standards Commissioner
Scottish Information Commissioner	Scottish Information Commissioner
Scottish Public Services Ombudsman	Scottish Public Services Ombudsman
Scottish Human Rights Commissioner - established	Scottish Human Rights Commissioner - established
<b>Others:</b>	<b>Others:</b>
Prison Complaints Commissioner	Prison Complaints Commissioner
Scottish Commission for Public Audit	Scottish Commission for Public Audit
Legal Services Ombudsman	Scottish Legal Complaints Commission (moved to Executive NDPB category)

## Other significant national bodies

Baseline Position - October 2007	December 2009
Audit Scotland	Audit Scotland
Court of Lord Lyon	Court of Lord Lyon
Drinking Water Quality Regulator	Drinking Water Quality Regulator
HM Fire Service Inspectorate for Scotland	Functions transferred into Scottish Government
HM Prisons Inspectorate	HM Prisons Inspectorate
HM Inspector of Constabulary	HM Inspector of Constabulary
Inspectorate of Prosecution	Inspectorate of Prosecution
Macaulay Institute	Macaulay Institute
Moredun Research Institute	Moredun Research Institute
Office of the Queens Printer for Scotland	Office of the Queens Printer for Scotland
Quality Meat Scotland	Moved to Executive NDPB category
Rowett Research Institute	Merged with Aberdeen University
Scottish Agricultural College	Scottish Agricultural College
Standards Commission for Scotland	Standards Commission for Scotland
Scottish Crop Research Institute	Scottish Crop Research Institute
Scottish Institute of Sport	Merged with Sportscotland
Scottish Roadworks Commissioner	Scottish Roadworks Commissioner
Sustainable Development Commission in Scotland	Sustainable Development Commission in Scotland
Visiting Committees for Scottish Penal Complaints	Visiting Committees for Scottish Penal Complaints
Waterwatch Scotland	Waterwatch Scotland
	Justices of the Peace Advisory Committee (x6 multiple body) which has reduced from 32 and no longer has NDPB status.

## Proposed organisations

Baseline Position - October 2007	December 2009
HUB Procurement Health	Decision not to establish as separate organisation. Functions will be subsumed within the Scottish Futures Trust.
Judicial Appointments Board	Judicial Appointments Board. Established 1 June 2009 (moved to Advisory NDPB Category).
Scottish Civil Enforcement Commission	First Minister announced on 30 January 2008 that this organisation would not be set up. The Scottish Government will consider how best to deal with its proposed functions without the creation of a new public body.
Sentencing Council	Sentencing Council
Scottish Future Trust	Scottish Futures Trust (moved to public Corporations Category).
Skills Agency	Skills Development Scotland - created encompassing SUFI and Careers Scotland from Scottish Enterprise and Highlands and Islands Enterprise (moved to Executive NDPB category).
Vetting and Barring Agency	Established as Disclosure Scotland - an Agency of Scottish Government (moved to Executive Agency category).

## Annex 2 - Quango budgets 2008-09

The following information for total Scottish Government funding for quangos in 2008/09 is taken from the Scottish Government's online National Public Bodies Directory.<sup>38</sup>

	Total Scottish Government funding 2008/09
<b>Executive NDPBs</b>	
Scottish Further and Higher Education Funding Council	£1,721,800,000
Scottish Enterprise	£287,360,000
Skills Development Scotland	£195,700,000
Scottish Legal Aid Board	£167,237,000
Scottish Police Services Authority	£97,990,000
Highlands and Islands Enterprise	£80,980,000
Scottish Natural Heritage	£63,523,000
VisitScotland	£50,315,000
Scottish Arts Council	£46,785,000
Scottish Environment Protection Agency	£46,096,000
sportscotland	£41,477,000
National Museums of Scotland	£37,418,000
National Galleries of Scotland	£25,561,000
Scottish Children's Reporter Administration	£25,247,000
National Library of Scotland	£20,415,000
Learning & Teaching Scotland	£19,353,446
Scottish Commission for the Regulation of Care	£18,875,000
Royal Botanic Garden, Edinburgh	£14,460,000
Scottish Qualifications Authority	£12,932,000
Scottish Social Services Council	£9,470,000
Loch Lomond and The Trossachs National Park Authority	£6,940,000
Crofters' Commission	£6,182,000
Bòrd Gàidhlig na h-Alba	£5,550,000
Royal Commission on the Ancient and Historical Monuments of Scotland	£5,221,000
Cairngorms National Park Authority	£4,546,000
Scottish Screen	£3,650,000
Deer Commission for Scotland	£1,841,000

<sup>38</sup> [www.scotland.gov.uk/Topics/Government/public-bodies/about/Bodies](http://www.scotland.gov.uk/Topics/Government/public-bodies/about/Bodies)

Risk Management Authority	£1,500,000
Scottish Criminal Cases Review Commission	£1,215,000
Scottish Legal Complaints Commission	£1,200,000
Police Complaints Commission for Scotland	£1,000,000
Accounts Commission for Scotland	£0
Quality Meat Scotland	£0
Scottish Agricultural Wages Board	£0
Water Industry Commission for Scotland	£0
<b>Advisory NDPBs</b>	
Judicial Appointments Board for Scotland	£308,535,000
Scottish Law Commission	£996,000
Architecture and Design Scotland	£952,000
Local Government Boundary Commission for Scotland	£340,000
Scottish Advisory Committee on Distinction Awards	£133,526
Historic Environment Advisory Council for Scotland	£119,000
Scottish Local Authorities Remuneration Committee	£35,000
Public Transport Users Committee for Scotland	£15,000
Building Standards Advisory Committee	£9,000
Scottish Industrial Development Advisory Board	£2,000
Mobility and Access Committee for Scotland	£1,000
Advisory Committee on Sites of Special Scientific Interest	£0
Fisheries (Electricity) Committee	£0
General Teaching Council for Scotland	£0
Scottish Records Advisory Council	£0
<b>Tribunals</b>	
Mental Health Tribunal for Scotland	£10,500,000
Parole Board for Scotland	£1,400,000
Private Rented Housing Panel	£428,000
Additional Support Needs Tribunals for Scotland	£418,101
Scottish Charity Appeals Panel	£2,500
Children's Panel (x32 multiple body)	£0
Lands Tribunal for Scotland	£0

<b>Public Corporations</b>	
Scottish Water	£181,800,000
Highlands and Islands Airports Ltd	£26,200,000
Caledonian Maritime Assets Ltd	£6,500,000
Scottish Futures Trust	£440,000
David MacBrayne Ltd	£0
<b>NHS Bodies</b>	
NHS Greater Glasgow and Clyde	£2,170,496,198
NHS Lothian	£1,167,662,887
NHS Lanarkshire	£888,760,185
NHS Grampian	£798,139,837
NHS Tayside	£689,442,562
NHS Ayrshire & Arran	£649,479,059
NHS Fife	£569,754,611
NHS Highland	£563,653,419
NHS Forth Valley	£434,074,410
NHS National Services Scotland (formerly known as the Common Services Agency)	£408,000,000
NHS Education for Scotland	£399,900,000
NHS Dumfries & Galloway	£270,039,097
Scottish Ambulance Service Board	£196,499,000
NHS Borders	£186,068,414
NHS Western Isles	£69,013,090
National Waiting Times Centre Board	£66,100,000
NHS 24	£53,700,000
State Hospital Board for Scotland	£52,400,000
NHS Shetland	£48,947,452
NHS Orkney	£43,517,794
NHS Health Scotland Board	£25,539,000
NHS Quality Improvement Scotland	£18,209,000
Mental Welfare Commission for Scotland	£4,495,000
<b>Total</b>	<b>£13,334,556,588</b>





