

Public Administration and Constitutional Affairs Committee

Oral evidence: Public bodies, HC 553

Tuesday 4 November 2025

Ordered by the House of Commons to be published on 4 November 2025.

[Watch the meeting](#)

Members present: Simon Hoare (Chair); Markus Campbell-Savours; Sam Carling; Lauren Edwards; Peter Lamb; Mr Richard Quigley; Luke Taylor; Michelle Welsh.

Questions 108 - 160

Witnesses

I: Keith Fraser, Chair, Public Chairs' Forum (PCF), and Chair, Youth Justice Board; Ruth Glazzard, PCF Board Member, and Chair, Welsh Revenue Authority; Adrian Smith OBE, Chair, Association of Chief Executives (ACE), and Chief Executive, Reclaim Fund Ltd; Elysia McCaffrey, ACE Board Member, and Chief Executive, Gangmasters and Labour Abuse Authority.

Written evidence from witnesses:

– [Association of Chief Executives](#)

Examination of witnesses

Witnesses: Keith Fraser, Ruth Glazzard, Adrian Smith and Elysia McCaffrey.

Q108 **Chair:** Good morning, colleagues, and good morning to a distinguished panel of witnesses as we continue to evolve and develop our inquiry into public bodies. Just for the record, starting with Ruth, could you state your organisation and a bullet point of, in essence, what it does?

Ruth Glazzard: Bore da, good morning. I am a management committee member of the Public Chairs' Forum and chair of the Welsh Revenue Authority.

Keith Fraser: I am chair of the Public Chairs' Forum and Youth Justice Board for England and Wales, where our role is to advise Government in relation to the operation of the youth justice system across England and Wales.



HOUSE OF COMMONS

Adrian Smith: I am the chair of the Association of Chief Executives and also chief executive of Reclaim Fund, which is the operator of the UK's dormant assets scheme.

Elysia McCaffrey: I am a board member for the Association of Chief Executives, and chief executive of the Gangmasters and Labour Abuse Authority, which is a regulator and law enforcement body for stopping worker exploitation and modern slavery.

Q109 **Chair:** Thank you. I am going to kick off the questioning with a slightly overarching philosophical one. According to my app, there are 51 sleeps until Christmas; that is either a cheery or a scary thought, depending upon how prepared you are for these matters. Turkeys usually vote against Christmas coming any time soon. I am not calling any of you turkeys, and I am not asking you to vote for Christmas, but could you help us with a question which is often asked by parliamentarians, Ministers, the public and by the media: are public/arm's length bodies a reliable, appropriate, transparent, accountable way of delivering important areas of public policy and governance in the UK in the 2020s going forward? That is quite a big chunky essay-type philosophical question.

Keith Fraser: Would you like me to start, Chair?

Chair: I don't mind. But as one volunteer is better than two pressed men, Mr Fraser, the floor is yours.

Keith Fraser: You said reliable, transparent, and the appropriate way to deliver important public services?

Chair: Yes, I mean accountable in the court of public opinion. The backdrop to the question is social media and the widening of communications channels that have made for direct democracy and a belief that Ministers should take decisions because they are accountable, and an end to the experiment—I do not use that in a disparaging way—of passporting things out to public and arm's length bodies.

Keith Fraser: First, Chair, you present it in a binary way as either a yes or no answer. The answer is a bit more complex than that because of the number of aspects to that question. If I take the last point first, you are probably aware that the process of public bodies delivering services on behalf of Governments has been in existence for quite a long time. For example, the British Museum is 100 years old. In terms of Ministers taking decisions, nothing changes around that in relation to public bodies because Ministers set the boundaries within which public bodies operate and how we then serve the country and the Government.

I go back to the reason why I became, or applied to become, a chair. I was a police officer for 32 years. All that time was devoted to public service. After completing that public service within policing, I wanted to see how best I could use those services for public good. That is the



HOUSE OF COMMONS

reason why I am here and why I do the roles within public appointments. From a personal perspective in relation to why I do it, it is about public good.

Then to move back to your question around Ministers having oversight and control—which is where you were going—ultimately, Ministers set the parameters within which we operate. There are various checks and balances, which we can go into in relation to what we do. Those are for all public bodies as well. We all report to Parliament on an annual basis.

In relation to transparency, all public bodies, as far as I am aware, produce annual accounts which are laid before Parliament. Also, our minutes are available for public scrutiny. A lot of the work that a number of arm's length bodies do is very public facing, which enable the Government to have a reach into what the public or businesses or various aspects of society think as a result of those public bodies.

Are they reliable? This might be the "turkeys voting for Christmas" question. That is for you and the public to determine. My personal view is that we provide evidence or a function; as long as the evidence that we provide to you in that independent fashion meets your tests, then that is where the reliability piece comes in. Parliament and Ministers set the parameters around reliability in relation to those tests.

Adrian Smith: My view is that arm's length bodies absolutely do have a purpose. I also have some context; I am not an ex-police officer but an ex-private sector person who came into the public sector relatively recently. We set up a public body from scratch. If a public body is well structured and an arm's length body has clear rules of engagement with—I am sure we will talk about this later on—a clear framework document and understanding of its mission and its purpose, it can be very effective. From talking to our members, it is clear that if those things are not in place then the effectiveness can certainly start to fall away. It is important to get things right and well-structured, with regular review, monitoring, and very clear terms of reference and engagement. If I contrast that with my time in the public sector, in some ways arm's length bodies are a little like subsidiaries of a group organisation. If they are set up for success and well-monitored and regulated, they are a very effective delivery vehicle for the public.

Elysia McCaffrey: I completely agree. I have been a civil servant and a public servant for a few decades. I smiled a little when you talked about turkeys voting for Christmas because I am the chief executive of an organisation that is currently being abolished and will not exist from next April next, because there has been a really good look at the question of what the right mechanism is to deliver these services. The new Employment Rights Bill will ensure that there is a Fair Work Agency. My organisation will merge with three other bodies to create something that makes sure we work seamlessly together and do not knock up against each other.



In the four-plus years that I have been in post, I have had a really good framework agreement. I have a close line of reporting with the safeguarding Minister, currently Jess Phillips, and our work delivers against Home Office policies. So we do not go ahead and do anything else that we want; we have very limited money, and we stick very closely to our strategy, business plan, KPIs, which have been agreed with the Minister. We deliver excellent value and are held to account in a way that allows us to demonstrate that. We feel very accountable and feel that we have to do the right thing with public funds and are able demonstrate that.

Ruth Glazzard: I would reflect on your point around how close it brings the work to the people that we are delivering the services for. ALBs deliver specific missions, so arguably they are a lot closer to people. Certainly from speaking to our members and from my own personal experience, there is an absolute recognition of delivering a public service among all our members and staff. That piece about bringing the delivery closer to people is a real key driver.

Q110 **Chair:** Mr Fraser, you might be the best, but possibly not the only, person to answer this. One of the downsides of social media, transparency, public demand and so on is that it often puts good people off from stepping up or into roles. There is a growing concern that it is often—again, I do not use this in a pejorative sense of the term—the same old faces who get recycled into different positions all the time. I can see everybody is nodding, apart from Mr Smith who may have a different view but it may just be that he is just not nodding. If a headhunter has been given the task of recruiting, they usually have their database of contacts. They call somebody and say, “This seems to fit you. Why don’t you go forward? Have a think about it,” and so on.

Are we right to have a concern—if not, you must tell us—that the pool in which we fish to make appointments is adequately sized and necessarily refreshing itself from time to time? Rather than just saying, “I finished my three-year appointment doing X. I did it frightfully well. I enjoyed it. I have public service in my DNA. What’s the next thing?”, are we bringing in new people, eyes and thinking? I will start with Mr Fraser, but Ms McCaffrey, I will come to you as well, and then I will throw you open to the tender mercies of my colleagues.

Keith Fraser: The first part of your question was around social media and its view of people who work within public bodies. That view is the responsibility of us all when we talk about people who provide a public service. I take the word quango, which means what it says on the tin, but I have looked that word up a number of times, and it is mentioned as a pejorative term. Why would you talk about 300,000 people who provide a public service in that way? Many go over and beyond in relation to delivery and care deeply about the service they provide. We all have a responsibility in how we talk about people who put themselves forward and how we shape that public narrative so that people understand what public bodies do.



HOUSE OF COMMONS

Public bodies have been set up recently to deal with things that Government said need tackling quite quickly, such as standards within football. A new body has been set up to support people after major disasters, such as the Manchester attacks. These are very small, niche organisations, but they have been set up to do specific roles. The MOD recently set up another public body to deal with housing. It is a way that the Government can flex very quickly to bring in new talent and expertise in a particular area to do a job that they want to get done, if there is not another way within their resources already to do that.

Coming back to your point about the talent pool you are fishing in, Ministers and those within the Cabinet Office and the world of public bodies recognise the need for this to be increased. Adrian and I, as well as my directors, work with the Cabinet Office to increase the pool of people who are aware that these opportunities exist. I had no knowledge whatsoever of these roles before somebody pointed them out to me. The whole mechanism and driver for us and the system needs to be, how do we ensure that society knows that these roles exist so we can get the best talent in?

The other piece is around how we get skilled people into these roles. We want to make sure we have the best people doing these jobs as well. Sometimes—to use your term—you have to recycle. That is not necessarily a bad thing. But we need to keep an eye on bringing in a diversity of talent into the pool of public appointments because that is partly how Government bring talent in to support their delivery of a public service.

Elysia McCaffrey: Social media puts people off, probably in the same way that it does for those who wish to go into politics. You put your head above the parapet and—

Chair: Get shot at.

Elysia McCaffrey: Absolutely. We need resilience and courage beyond that. In terms of diversity, there is a fantastic apprenticeship scheme that MHCLG runs that looks to find people from more diverse backgrounds and give them an apprenticeship on a board. GLAA is in the third year of that. We have our third apprentice, and we work with them afterwards to help them secure a position on a board as well. This stops us from recycling from the same pool all the time. I hope other arm's length bodies engage with that apprenticeship programme as well because it will change things.

Chair: You picked the right Department: I was a Minister there for a while so you are on my good side—not that you were not at the start.

Ruth Glazzard: I agree with Elysia. You are MPs; we cannot tell you anything you do not already know about what it is like to put your head above the parapet in public roles. We all have a responsibility to support people in that regard. I reflect on the public appointments process more broadly. We have all struggled with that in our organisations; that is



HOUSE OF COMMONS

partly responsible for the recycling of the same people because, as Keith noted, if you do not know the roles are there, then the same people will come through. We all spend a significant amount of time as chairs, chief executives and boards doing the broader work to encourage talented people on to our boards and into our organisations. But often it is not helped by the broader public appointments process and the machinations of working through that.

Chair: There is a danger of a chumocracy, as the phrase goes.

Ruth Glazzard: I would say that there is definitely a danger of that.

Adrian Smith: I will add to that and try to alleviate your concerns. On our board we have eight people including myself, so seven non-exec directors, and the majority are relatively new to public sector. We have managed to attract people who have had careers in other sectors. You make good points around social media and how public roles are perceived. I am sure we will come on to this, but the time it can take, certainly for public appointments, can also put people off. People have to put their recruitment activity on hold while they are waiting, so there is certainly a background issue there. But on balance, there is huge talent coming into the public sector from outside.

Q111 **Mr Quigley:** You mentioned purpose, which is always good to hear, but are you convinced that all arm's length bodies have a clear and adequately defined role? I will start with Mr Smith, for no particular reason.

Adrian Smith: Again, I will try to bring the matter to life through two lenses. In regard to Reclaim Fund, I am certain that our role is very clear. We were set up via an Act of Parliament and have very clear objects that flow through into our framework document and the rhythm that we have with our sponsor and shareholder teams. We also have a slightly unusual situation in that our shareholder representative is UK Government Investments, so that adds a different dimension. I am very clear that we have a very clear purpose. Our business plan is signed off annually by the Minister and we are kept very focused to purpose.

More broadly, having come from private to public sector in the last few years, as regards the cohorts I have met that are part of the membership of the association, I am hugely impressed at their focus on delivery of public service. As someone who has come from a different background, there are clearly a number of public bodies that on the face of it look like they do similar things. If you have public bodies inside a sector, it is important that you make sure that they operate in clear water.

Q112 **Mr Quigley:** Does anybody else want to add anything?

Ruth Glazzard: My reflection would be, with Adrian, that individual public bodies are very clear on their purpose. Because there is such diversity within them, if you look at them as a whole, it is difficult to see a single purpose other than delivering public services. Diversity does not



HOUSE OF COMMONS

help people who are looking from the outside, but individually, our members are very clear on their purpose.

Keith Fraser: To add to the purpose aspect—because I am not going to repeat what has been said already—how do we ensure that Government understands that purpose? Ministers have such a large portfolio. My concern is to ensure that they are adequately briefed around the tools that they have at their disposal. The question is, how do we regularise that when we have new Ministers coming in, to ensure they are appropriately briefed and that arm's length bodies consistently have an appropriate line to Ministers?

Elysia McCaffrey: I cannot speak for all 304 ALBs. I do not feel that I would get away with not having a very clearly defined purpose, because I am held to account so rigorously, whether that is through my sponsor team, through the annual report and accounts directly to Ministers or by my board. But I can see there is a need to continue to look at them. The cycle of reviews that the Cabinet Office does, whether triennial, tailored or the public body reviews, is really important to keep bodies under review in that way and to be continually saying, "Does this body still need to exist?" That external challenge is vital.

Q113 **Mr Quigley:** On that point around Ministers understanding what is at their disposal, have you come across that causing a problem? I will start with you, Mr Fraser.

Keith Fraser: It can sometimes take a little time for that understanding to be developed. In my personal view, it is not necessarily a problem because I do not know what the Minister wants until I have had that conversation. So it is more around me having a clear understanding when a new Minister comes in of what their direction and steer is, and about that being done as quickly as possible. The challenge for Ministers is that everybody wants to speak to them as soon as they are appointed. Is there a way, a system to regularise that process more so that we guarantee that these tools that Ministers have at their disposal will get a hearing, whether that be a direct briefing in or a face-to-face meeting with Ministers?

Q114 **Mr Quigley:** Would it be fair to say that reshuffles slow down the work of ALBs? Please feel free to jump in, anyone.

Keith Fraser: They probably do, but at the end of the day reshuffles are a political decision as to how you manage and govern the country. Sometimes there is an impact on work that is done not just within arm's length bodies but wider. That is a natural process of governance because the new person coming in will want to understand what is happening before they agree to things.

Ruth Glazzard: That applies equally to sponsor Departments, not just the staff. You can build up very good relationships with your sponsor Department for people to then change. Any change in personnel will lead



to a delay when you brief new people and bring them up to speed, as much as it would for Ministers.

Adrian Smith: To build on your point, I think it can slow down the work. Continuity in any part of life is really important. If you have specific decisions that are sat with a Minister who was to change in short order, inevitably that can cause a delay. But that is where the role of the sponsor team comes in, which, if you have an effective one, will manage that workflow carefully and ensure that any business-critical decisions are prioritised for any new incoming Minister.

Elysia McCaffrey: It is dependent on the relationship with your policy sponsors. When I was a civil servant, I would meet with Ministers in the Cabinet Office two or three times a week. In the last four years, I have met with them three or four times. But as long as you get clear policy steers through your policy sponsor that should not really be a problem. There are opportunities for chief executives and chairs to say, "Here are some additional things that we could do to support the delivery of your objectives." It would be nice to have the opportunity to do that more often.

Q115 **Mr Quigley:** Mr Fraser, going back to something you said earlier about the use of quango as a pejorative term, in a similar vein, what would your response be to the accusation of mission creep among ALBs?

Keith Fraser: Broadly in relation to that—all my colleagues without doubt will stick to what I say here, although we are not a representative body—Ministers decide what we do, and arm's length bodies carry out the work. Our job is not to decide what our roles and responsibilities should be; it is to act on what Ministers say.

Going back to what was mentioned earlier, if the necessity for the arm's length body changes, it is a matter for Government and for Ministers to decide whether the body is needed or not. It sits within governance arrangements that we have already. I do not want to repeat, but there is a governance framework. We are tested by the sponsor Department in relation to how we perform and what we deliver. I am individually and regularly challenged by a senior civil servant within the sponsor Department around what I am doing and why. I also meet with the Minister fairly regularly to answer those questions. If I was acting ultra vires as you were talking about, I would be put back into line.

Adrian Smith: From my personal point of view, I have not seen mission creep, but it comes back to a point I made earlier around getting the rules of engagement set up correctly in the first place. If you have a clear plan which is regularly reviewed, and you engage with Ministers, I can understand how mission creep could happen. But it would come down to not having the right framework in place if it did.

Elysia McCaffrey: There will always be risk in public service where you have teams which care very deeply about what they do. If I use the



example of my organisation, we help those who have been victims of modern slavery, who have been in really horrible situations. A real joy for me as the chief executive is that every single person in the organisation cares; they want to do a good job. We do not pay as well as the private sector. People engage because of their good will; they are passionate and want to do the right thing. I have to be very mindful that we do not blur the lines between our job and the role of NGOs and other organisations. In reality, I do not have enough money to allow mission creep, but I can see it is something that we need to be mindful of, particularly where people are very motivated and care about the mission. If there are changes in political views about certain topics it can be hard for staff who really care. It is our responsibility to make sure that we stay on mission and stay focused.

Q116 Mr Quigley: The last question from me is, are you happy that ALB status—was it 304 you said—is applied consistently? Do you think that status is as it should be? You are the most animated, Ms McCaffrey, so I will start with you.

Elysia McCaffrey: I do not think it necessarily is. There is a framework in place and a set of rules and so on, but ultimately things like how much direct control a Minister wants of this organisation is a real factor. My organisation is currently an arm's length body. When it is abolished and a new agency is set up it will be an executive agency, so it will be much closer to Ministers. The powers will be very similar and enhanced, but Ministers have made a decision that they want this closer to them. That is right and fine, but it means there is inconsistency depending on who makes the decision.

Keith Fraser: I will answer in three broad terms. There needs to be consistency around why an arm's length body is set up. There should be a set of tests—as there are—around why that public body is being set up. There should also be consistency around the review process and the necessity for that public body to exist, and that should be regularised. The review process is not consistently regularised at the moment. All the chairs of all the arm's length bodies that I have spoken to would welcome that regularised process of review as regards the necessity of arm's length bodies.

In relation to the why piece, there needs to be inconsistency because they have been set up for varied roles. If you look at the 300-odd arm's length bodies, they all perform very discrete roles. That is where Government Ministers need to be clear about why they want an arm's length body to be in existence. The why should be because of inconsistency.

Adrian Smith: This is where being part of the Public Chairs' Forum helps us, because we get quite a lot of anecdotal conversation between chief executives and chairs. You are absolutely right: it is not necessarily as formulaic as it could be in terms of understanding. When I became an NDPB, it was a case of learning to understand what that meant. I broadly



understand what other arm's length bodies look like, but perhaps there could be more of a formulaic approach.

Ruth Glazzard: We learn every day about different types of bodies. When we have conversations with our members, they also learn about the other types of bodies. So that consistency piece would help with that understanding, notwithstanding individual members are very clear about their roles because we are all delivering specific things.

Q117 **Chair:** I agree. Mr Fraser, that it is very clear why an ALB is set up and the hope of what it will achieve. It is quite patchy, though, on the how. These are arm's length bodies. The arm has not been amputated; it is still attached to the body corporate of HMG. One can talk to Ministers of all parties and they will say, "Sometimes an ALB absolutely gets that it's there to deliver for the Government, who are ultimately there to serve the people." Some will become quite bolshy and autonomous and almost threaten Ministers with, "You can't tell us what to do." It is almost like Frankenstein's monster, "You have created us, but you can't direct us."

Is there anything which would improve the relationship between Departments and ALBs across the piece and instil greater public faith and confidence? Is there anything on the civil service ministerial side which needs to be looked at in terms of how a Minister can direct an ALB? It has already been set up but events have moved on. Circumstances have changed. Demand pressures have altered. The situation seems to be slightly patchy at the moment. I will not name them, but I can think of three ALBs that have effectively told Secretaries of State to do one—"You can't tell us what to do. You've created us. We'll just crack on and do it as we see fit." That cannot be right, can it?

Keith Fraser: Ultimately, Government Ministers set arm's length bodies up and if they do not deliver what you want them to, there are things within your gift to change the terms of reference as to how they operate. Some things might be a little more challenging to change because some arm's length bodies are set up in statute, so you might need to change the law in relation to how they operate, or it might be done through policy. But there are levers that MPs and Ministers have to change that.

In relation to directly telling arm's length bodies what to do, there is not a binary answer because some have been set up to be independent with a larger or smaller eye, depending on how much independence you want them to have for certain reasons. If you want that arm's length body to exercise judgment and then provide you and the public with its assessment, that is what it is there to do on behalf of Government and the public. There may be—I will use this term—rub with the Executive view as opposed to the public body view in a particular area. Quite often, it is a matter of how that relationship is managed. We are not lobbying organisations; I cannot think of a public body that is. It is about those conversations being had in private and what you say in public. There are degrees in relation to how you exercise your independence, which comes from Parliament at the end of the day.



Q118 **Chair:** Those conversations in private do not add to transparency, do they?

Keith Fraser: It is the same with the advice you get from civil servants, which is not all published. You can have a frank and open conversation about the information that you have. Ministers can then make a judgment in the right environment around what to do with that.

Q119 **Chair:** Ministers can tell civil servants what to do. So you think Westminster and Whitehall have the muscle; they just do not necessarily flex it all the time?

Keith Fraser: I would not say it quite like that, Chair. I would say it has the levers, and it depends on what the arm's length body is there to do. It might be an advisory, delivery or regulatory body; it could be a body that publishes statistics. It is not clear-cut. Hopefully, we save Ministers having to make those kinds of operational decisions so they can say, "This is what I want you to do for me. Now go and do it." If we do not deliver within the parameters that you have set, or you think that we are straying outside them, something would need to change. At the end of the day, I strongly believe that we are here to serve Government and the public.

Q120 **Sam Carling:** Those are useful comments. We did a separate inquiry into the ONS where we found a disconnect, particularly with bodies that produce statistics, sometimes between accountability versus independence and how to square that balance. Others might come on to that subject.

I have a few small and bitty questions, so if you feel others have covered them there is no need to add anything. I would like to start with this issue around Ministers and direction. We have talked about how conscious chairs and chief executives are of changing ministerial priorities. How do you think your organisations respond to that? I am not sure who I am directing that at. Perhaps you could go first, Ms Glazzard.

Ruth Glazzard: A lot of this is about the quality of the relationship that the bodies have with their Ministers. Part of that comes down to the fact that ministerial time is a finite resource. Ministers place a lot of trust in their ALBs to deliver. Sorry, I have lost the thread of the question.

Sam Carling: How do they respond to that?

Ruth Glazzard: How they respond is dependent on the direction of the ALB at that particular time. As Keith said, everybody understands that we are there to deliver for the Government and ministerial priorities, and we act to do that in the most efficient way possible. Certainly from members I speak to—Keith would say the same—we do not think there would be pushback on that. We see our role as giving advice on how to carry out delivery.



HOUSE OF COMMONS

Adrian Smith: We are all aware that the concept of ministerial direction exists and can be used. If it is used, in some ways it means that organisation did not have the right conditions in place when working with Ministers to understand its strategy and objectives. If you set the arm's length body up well, have regular review, and the Minister signs off on the business plan, you would hope that ministerial direction would be a last resort. A lot of it comes down to regular and constant engagement with Ministers. I understand that is the perfect scenario and it clearly does not always happen, as your inquiry is looking into, but ideally, getting it right in the first place and having regular communication would alleviate that problem.

Keith Fraser: When a new Minister comes in we provide them with a brief around what we do—this is from a Youth Justice Board perspective—and then say, "These are the areas or themes that require further consideration." We then seek ministerial steer around their focus and where they think our resources should go. Despite the fact that we are an independent department which provides advice, we utilise that advice from Ministers in order to direct our resources as a result of that, and thereby the sector. So it does influence where we look, but we will provide advice to Ministers to support them in that decision-making process.

Q121 **Sam Carling:** Can any of you think of examples of where a new Government or ministerial priority has run counter to what you feel your role is? The answer may be no. It would be a good thing if the answer is no, to be honest.

Ruth Glazzard: I chair organisations that are responsible to the Senedd in Wales. One of the reasons I feel the Welsh Revenue Authority is clear on ministerial priorities is because typically it is quite a short chain from us to the Minister in Wales. That means that relationships are a lot clearer. As we go out across the UK that is not always the same. That chain away from the Minister is often longer. In my experience of chairing the Welsh Revenue Authority, that short chain or short arm—I am not quite sure which analogy I should be using—

Chair: He was once the long arm of the law and now he is the short arm.

Ruth Glazzard: I am not sure if that is right for a revenue-collecting authority. We should maybe have longer arms. The relationship between the ALB and the Minister tends to be closer in my experience in Wales, and things are generally clearer because of that.

Q122 **Sam Carling:** Thank you, that is helpful. On a broader governance point—I direct this to Ms McCaffrey and Mr Smith—how effective are the framework documents in setting out the relationship with sponsor Departments?

Elysia McCaffrey: I use our framework document a lot; I find it incredibly helpful. It sets out those rules, and it is really clear on who is



responsible for what and where accountability lies. When you sit that alongside things like our corporate governance framework and my letter of delegation, it is really helpful.

Sam Carling: That is useful.

Adrian Smith: For me it literally sets out the framework as to how the organisation operates. It is a strong governance document. We have just updated ours. We had one when we initially established and we have a new one which has been refreshed. It re-establishes the rules of the game and the playbook for the organisation.

In the last couple of years there has been a lot of focus on making framework documents consistent. When I first encountered them they were more varied. So while a one-size-fits-all approach is not necessarily the right one, having more standardisation is important because chief executives and chairs move within organisations. Understanding the framework document as a concept is really important. They are a very strong tool both for the ALB and for the sponsor Department and Ministers.

Q123 **Sam Carling:** Are they reviewed often enough? We heard an example quite recently—it was the Civil Service Commission—where theirs had been set up in 2010. It was originally supposed to be reviewed every three years, and it has just been changed for the first time this year. Is that a common picture, or do we see these documents more regularly updated in other organisations?

Adrian Smith: I have certainly heard through members that some framework documents have gone a long period of time without review. My own framework document had a review date built into it. We have just reviewed ours. Making sure that there is a set date, as you would with a policy, is helpful.

Q124 **Sam Carling:** Was it reviewed by the date?

Adrian Smith: We have just reviewed ours and are now putting it into place. We were a little late but we discussed it for a few months to get it right.

Sam Carling: That makes sense. There is a little late, and then there is 10 years. There is a slight difference there.

Adrian Smith: It was simply a matter of months.

Q125 **Sam Carling:** Mr Smith, in the written evidence of your organisation you suggested that the quality of oversight from sponsor Departments can vary. In what ways did you mean by that?

Adrian Smith: The evidence came from our members. I bring two lenses to this, and that was our members' view. My own personal view is that it is important to have consistent, constant relationships in a sponsor team. Of course, you cannot guarantee that and there is going to be turnover in



HOUSE OF COMMONS

the civil service, but having a named individual as your sponsor and continuity in that relationship is really helpful. There is an inevitable risk in that the civil service is a large organisation with people moving around. So it is a bit like the Minister discussion. It takes time for a new Minister to become aware of the organisation. If you get a new sponsor team, the same thing can occur. It is difficult problem to fix because ultimately people move around within the civil service.

Elysia McCaffrey: I have experienced that it can be wildly inconsistent. I am currently sponsored by the Home Office, which is a fantastic sponsor. It understands our organisation, which is important so that it can challenge me properly on my performance; it could not do that if it did not understand the organisation. There is quite a lot of churn and there is not one set of rules for sponsorship that seems to exist. The quality of sponsorship seems to be dependent on the quality of the relationships that you have with the individuals rather than a set of processes. I am fortunate that I have had very good sponsorship. Colleagues in the Home Office sponsorship team would probably agree with a clearer definition around how they should work. Perhaps it would be good to view it as an area to develop a career. There is quite a lot of churn because it is not necessarily a career aspiration role, so you end up with quite a lot of inconsistency.

Q126 **Sam Carling:** That makes a lot of sense. I was going to ask about churn being a problem; are you able to give a picture of what good oversight looks like from your perspective?

Elysia McCaffrey: Good oversight starts with good challenge. I know that we are doing well as an organisation when we are challenged robustly and we stand up to that challenge. We have quarterly sponsorship meetings where we talk through our performance and our risks, and I get some really good challenge. I come out feeling I have been through the mill, and I should.

I also feel that a good relationship is where, if we have a challenge or a problem, we can get help and support early on from the organisation. I talk to other chief executives to see if we have encountered these problems, what can we share, what can we learn? Essentially, the sponsorship unit needs to be there to help you succeed. That scrutiny over your performance, finance, risk and so on is important because it means they can help you if you have challenges. That is the healthiest relationship.

Historically, there have been challenges around a parent-child relationship, and that is not healthy. Generally, what I see now—and my colleagues see much more—is more of a partnership working and with a sponsor who is keen to see you succeed rather than ready to tell you off, which might have been the case several years ago.

Sam Carling: Okay, but they are taking it seriously enough. That is useful.



HOUSE OF COMMONS

Ruth Glazzard: The only thing I would add is that both sides of the relationship can articulate the organisation in the same way, so there is understanding of the organisation and that role is equal across both sides.

Q127 **Sam Carling:** That is useful. Thank you. Moving on to my final question—again, the answer may be no—have you seen any examples of Departments looking to interfere in parts of your organisation where they should not? We are trying to get a sense of how interventionist Departments are at the moment.

Elysia McCaffrey: That has not been my experience, but what came to mind was, how do you mitigate or manage that? I was previously a sponsor. We are very rigorously audited by the Government Internal Audit Agency several times a year. If our sponsor has concerns about various areas, it has this and other routes to look at what we are doing and why. The Minister and the sponsor Department sign off our business plan and strategy every year. I do not have any examples of where there has been interference on operational matters, but all the tools exist to make sure that the sponsor Department has the visibility that it needs to see what is going on and support a change in direction if necessary.

Keith Fraser: I do not want to give examples of particular Departments but relationships are really important when it comes to the governance document so that the sponsor Department and the public body understand their role. I have found difficulty or challenge when there has not been that understanding or that relationship. Sometimes there has been a bit of a challenge. That is anecdotal evidence. I suggest looking at individual committees or reviews that are conducted to get specific information on that. That could be a bit of a challenge for some arm's length bodies.

Q128 **Michelle Welsh:** My own personal opinion is that some public bodies are very effective and some are very ineffective. I would be interested to hear what you think on this. The ones that have become ineffective have essentially become too close to the sponsor, and they end up actually scrutinising themselves, their colleagues and their friends to the point where they end up with a group of people who are no longer represented by that public body. I do not want to go into names with regards to that.

What are your thoughts on that? Is that happening anywhere in your work? How do we officially mitigate that and have some accountability? When a public body does not do as it should and does not support people as it should, or leaves out a whole group of people—there is evidence to suggest that—when we come to the point that that public body is challenged? How does it change? Is that something that you recognise or not?

Keith Fraser: I cannot say whether I recognise that or not, but that regular review process is absolutely critical to mitigate what you are talking about. The challenge is that independent reviews do not take



place as often as they should. They should be at least every three years. There is evidence to suggest that less than 50% of arm's length bodies have reviews every three years. That is a way to test and mitigate what you are talking about.

In relation to this, perhaps the Cabinet Office could do something to ensure consistency of relationship with a sponsor Department so that it can have that oversight as well because, in effect, it is the cross-Government Department. Hopefully, it could provide that arm for Government to offer that additional safeguard. There is something around the relationship between the Cabinet Office and sponsor Departments to ensure that what you are talking about does not happen or to give some assurance that that is not happening. All the chairs will say those reviews are necessary, but at the moment they do not take place consistently.

Q129 Chair: We have established that when ALBs work, they work well—as with any organisation—and when they do not, by definition, they do not. I want to speak back to a point that Mr Smith and indeed others have made about the transitory nature of the relationships in terms of political, reshuffle, new Minister, new initiatives, new priorities and so on. We have a perverse incentive within the civil service to move around between Departments, which again will fracture relationships. There is a tendency within the system to have an in-built approach to an administrative groundhog day.

Let me put this thought to you as a question: it does not eradicate the problem, but it is about minimising it at a time when the media and public narrative is, "HMG plc has stopped delivering things. Everything is broken. Everything seems to take a hell of a long time to move from base one to base two." This brings me back to my first question: are ALBs still a relevant, justifiable way of delivering governance in this country? Surely, one minimises the disruption of personnel changes by bringing the remits of not all but a vast majority of the ALBs into direct civil service ministerial operation, effectively, cutting out the middle man, cutting out the ALB, bringing people who are staffed within the ALB within the civil service family.

People will be far more readily available for ad hoc conversations, are likely to be far more fleet of foot, and dare one say it—this is a point that a politician might make and not a civil servant—if a civil servant who leads up a sponsorship team with their ALB is pressurised by the Minister to do something they do not want to do, they can deploy the ALB to act as an additional advocate for why what the Minister wants should not be done. Is there an operational model which brings ALBs back in-house, predicated on the argument of better consistency and reliability of relationships, to spur delivery, for which there is an acute and growing appetite?

Adrian Smith: I will happily start. Absolutely, there is a model. My personal view is that our current model of arm's length bodies having



HOUSE OF COMMONS

some autonomy to operate and deliver front-line public services remains important, but it comes down to the rigour and governance and the way it is set up. You can achieve both. You could put arm's length bodies closer to the centre and you could operate them on a less arm's length basis with direct control; or you could have arm's length bodies that have clear missions, purpose and accountability, strong governance and all the tools that we have talked about in this session. Most important is that those things are reviewed regularly. I cannot speak for all 300 arm's length bodies. I accept some are much larger, and there is always a case for some to be closer to the centre. Perhaps, particularly for smaller arm's length bodies, they are a very important tool for Government if you get that governance, focus and accountability right.

Keith Fraser: The first question I would ask is, why would you want that arm's length body to operate in a different way? I would utilise the Cabinet Office in relation to that role and support of the Government, so you can get consistency and objectivity around that wider question. The rationale could be around saving money, effectiveness and efficiency. If we look at periods when the numbers of arm's length bodies have been reduced quite significantly, or they have been merged and brought into Government, the numbers of people within Government, i.e. civil servants, have actually gone up.

Chair: This was not suggested as a headcount reduction.

Keith Fraser: No, I am just saying that the question is why. That is the first question I will ask, and I will look to the Cabinet Office for support in relation to objective questions as to why you are looking to do that and setting some consistent tests to support your objectives. If you look at what the Youth Justice Board does, and the justice system, it performs extremely well in relation to children and young people. We are at the lowest level ever for children being in the justice system. Prior to the existence of the Youth Justice Board, there were thousands of children in prison. We are not in that situation now. Despite what you hear in the media, the numbers of children involved in committing offences is reducing.

Chair: I do not want to go into the specifics; it was more of a headline point. I am going to turn to Mr Lamb.

Q130 **Peter Lamb:** Building on the fact that the Cabinet Office has now had a mention, and the earlier conversation around sponsor Departments, Departments are obviously responsible for the bodies that they are sponsoring, but there is also an overall responsibility for public body policy with the Cabinet Office and with HM Treasury. Could I get your take on what the impressions are of the balance between that central policy from those two Departments and departmental autonomy in dealing with your bodies? Could I start with Mr Fraser?

Keith Fraser: First, thank you for the question. One thing I would suggest is that the Cabinet Office needs to be the reciprocal of the



HOUSE OF COMMONS

overarching approach to public bodies. Then there needs to be some flex locally as to how sponsor Departments then exercise that flexibility that they would need to deliver on their own individual needs. There may need to be some tightening of rigour from that central perspective around the Cabinet Office, and then its ask of sponsor Departments, but also some consistency around how it reviews.

I have mentioned the word “review” quite a number of times around how it is actually reviewing what is happening. That is through directly speaking to the sponsor Departments, but also direct contacts with the arm’s length bodies. We could not support helping understanding around arm’s length body chairs and the COs and what they are thinking, for example, but the Cabinet Office can approach those directly, as well. So I would wonder how they are getting that kind of look in as to how these things are operating effectively. The other bit for me is that test around relevance we have mentioned: are these public bodies still delivering a service that Government and the public need? Again, how is the Cabinet Office testing that on a regular basis that then gives Government assurance that we are delivering something which is necessary? It may be that you need to have another test in there alongside that around efficiency and effectiveness, added to the ones that are there already.

Ruth Glazzard: We see there is an opportunity to bring more consistency through that central point, certainly.

Q131 **Peter Lamb:** Is it the sponsoring Department that is overwhelmingly more involved in your bodies than those central policy Departments, at present?

Keith Fraser: I would not speak for everybody on that, but that is my experience. Perhaps that is the way the relationship should be, but it is around how you give the Cabinet Office that remit and capacity to give you that oversight across government. How you get that consistency of delivering efficiently and effectively is one of the things that Adrian and I have been talking to the team centrally about within the Cabinet Office.

Q132 **Peter Lamb:** Would a greater central policy involvement be of help?

Keith Fraser: It would help yourselves because it is the assurance that you are wanting. I am hearing a lot of questions around assurance there, how we are delivering, the relevancy of what we are doing, and do we still need this. That is the overarching Department for Government, is it not? So it is how that Department is used to support what you want.

Q133 **Peter Lamb:** Are there any other views people want to share on that?

Adrian Smith: I would just add that leading an ALB is complex because you have a lot of stakeholders. To your point about the roles of Cabinet Office and Treasury, in my own situation I work with DCMS as a sponsor that works very closely with HMT as our main sponsor: the DCMS has policy responsibility for our sponsor, HMT.



HOUSE OF COMMONS

As my colleague pointed out, as long as there is consistency Cabinet Office is a very strong part of the control and the governance mechanism for ALBs, and understandably, the Treasury has a very strong financial reconciliation responsibility for ALBs. I can see the role that both should play, but it is important that that is set out and applied consistently across arm's length bodies, irrespective of where their sponsor Department is.

Q134 **Peter Lamb:** Ms Glazzard, in practice what role does the board play in arm's length body accountability?

Ruth Glazzard: From my personal experience it plays a very strong one, and actually the clarity of mission for individual ALBs and the accountability for delivering public services is very well held at boards. Because of the way that the ALBs are set up differently, each board perhaps has a slightly different technical remit in some organisations than others. But broadly speaking in my experience, and from talking to our members, the boards are very clear on accountability to Ministers and to sponsor Departments, and they take that broader public accountability very seriously.

Q135 **Peter Lamb:** In terms of well held, is it that it is best located there, or that they are currently undertaking that role very effectively?

Ruth Glazzard: Both, I would say.

Q136 **Peter Lamb:** They are generally well equipped to do the role. As far as you are aware, are most boards full or do they carry vacancies for long periods? And are there any reasons why that might be? I will open that one up.

Ruth Glazzard: Everybody can probably answer that; we have referred to the public appointments process and the challenge of increasing diversity and bringing in new people on our boards. As organisations it is something that we all focus on quite significantly in order to fill those vacancies. I am sure that some boards will have had vacancies for a long time and others will be fully staffed: it is probably a patchy picture across but something we are all focused on.

Keith Fraser: If I may say, one thing you will probably get consistency from all chairs on is the challenge in relation to the process around public appointments and the pace at which it happens. You were talking earlier on about how you increase the pool of people coming in, Chair. We have processes which can last over a year. I do not understand how an appointments process can take over a year in relation to deciding that somebody is going to be able to do this job for a period of time. Something needs to be done around the efficiency and effectiveness of that process, not only to speed it up and support the right talent coming in, but also to ensure that the Minister gets what is needed in relation to the skills on that board. At the moment the process is actually working against us doing that, and we have to battle very hard to try to get what



HOUSE OF COMMONS

we need on that board. That is a collective we: Government and the arm's length bodies.

Q137 **Peter Lamb:** Why do you think the process is so clunky?

Chair: Have you met Whitehall?

Mr Quigley: We are all biting our tongues, are we not?

Peter Lamb: Sometimes, Chair, it is useful to probe if there are reasons why something might be the case, but yes.

Keith Fraser: The process could perhaps have some greater clarity over it, and there are a number of steps of involvement and to-ing and fro-ing. I do not want to use the term, but it can be a bit like Wimbledon in relation to the Government Departments that are involved: from your own sponsor Department, to perhaps the Duchy, to No. 10. Understanding where things are at within that process and the sponsoring Department's own team as well and who is actually influencing what, becomes quite difficult to work through.

The sponsor Departments work quite hard to work through that and so do we, but processes can stop part-way through for reasons which are not really clear. It is something around how Ministers have to have control over why we are recruiting this person, what skills we want from them, and then who we want. But there is something that needs to be done around that actual process and how that flows through from the decision being made, that "I want somebody", to you actually appointing someone.

Ruth Glazzard: The Welsh Public Bodies Unit is holding an event—tomorrow I think—to look at the Welsh public bodies process and how we might improve that and, as Keith said, pick off things. There are some things in the process that could be quite easily fixed; there are wider things around how you increase diversity on boards that may take longer. But that is something we are particularly focused on in Wales as well, so this issue is not unique to the UK Government.

Keith Fraser: I am aware that some changes are being made to the appointments process. I saw a brief just yesterday in relation to the Appointments Commission, but that is yet to be applied so it is going to be just understanding the detail on that. Those very recent changes that are being made might alleviate some of the blockage points I am talking about.

Q138 **Peter Lamb:** Is that Cabinet Office that is working through that?

Keith Fraser: My understanding is it has come through the Appointments Commission working with the Cabinet Office.

Q139 **Peter Lamb:** Mr Smith, how resource-intensive do you and your members find it managing a relationship with your sponsor Department?



HOUSE OF COMMONS

Adrian Smith: Again, it comes down to how you have set it up in the first place. Without doubt there is a level of intensity in working across the different component parts of Government. Actually the sponsor team is there to help you navigate that, so I find our sponsor team very effective in helping us do a lot of the work. They do a lot of work behind the scenes which stops us having to be too intensive. But we have to be realistic. As an arm's length body we are accountable to a lot of people: to the public, Parliament, our board and our sponsor team. In my case we have a sponsor representative, UK Government Investments, so it is a complex landscape and it does take time. But if you get it structured well and you ensure that everybody works to that plan, then it is a realistic level of resource intensity.

Q140 **Peter Lamb:** Do you feel that the requirements put on you by your Department are reasonable and proportionate?

Adrian Smith: They are reasonable and proportionate, but because we are accountable to the group I just referred to, they are inevitably complex. And where you have complex accountability, inevitably the resource required is greater. But they are reasonable, with good outcomes.

Q141 **Peter Lamb:** If it was not set up right, would that be a different story?

Adrian Smith: Absolutely, and anecdotally, when I talked to some of my members within the association, not all are set up right. I am very fortunate in that I feel within my own organisation we have set the structure up well.

Q142 **Peter Lamb:** Do you feel accountable?

Elysia McCaffrey: Yes.

Peter Lamb: Who do you feel accountable to?

Elysia McCaffrey: Throughout a normal year I feel accountable to my board. My board meets six times a year; I go and I show them what we are doing and I am challenged very robustly. We have an audit and risk committee, a people and culture committee and a finance performance committee, and I am held to account there.

I feel that I am accountable to the sponsor Department and, as I have mentioned before, we have regular sponsorship meetings where I am robustly held to account. I have the opportunity to meet with the Permanent Secretary where I am held to account over finances. I have had the fortune to attend a Home Affairs Committee, where I felt very held to account. The National Audit Office audit our accounts every year, and that is a very detailed and challenging process. So yes, I feel that I am held to account from a number of different places in a way that is appropriate. I should be held to account, I am charged with looking after public money and delivering services, but there is no doubt to me as Accounting Officer what that responsibility entails.



HOUSE OF COMMONS

Q143 **Peter Lamb:** That sounds like almost excessive levels of accountability.

Elysia McCaffrey: No, I do not think so; it is appropriate.

Q144 **Peter Lamb:** Do you feel that that level of division between different organisations that you are responsible to may potentially result in things falling between the cracks?

Elysia McCaffrey: No, there is good join-up between and clear continuity. Things such as the framework document provide the rules that we operate with. When we are audited by the National Audit Office, the Home Office is involved in that as well. It contributes its thoughts to our annual report and accounts, which goes to the Minister for sign-off before we lay our accounts. There is actually really clear join-up. I recognise it sounds excessive when I set it out like that, but that is appropriate when we are dealing with taxpayers' money and delivering services; we need to feel that way.

Q145 **Peter Lamb:** Does that in any way impinge upon your ability to conduct the role, though?

Elysia McCaffrey: No.

Q146 **Peter Lamb:** Even if you are spending an awful lot of time talking to people like us rather than in the organisation?

Elysia McCaffrey: No, it is appropriate and proportionate. I take my role very seriously on this, and I know other accounting officers do. This is part of the role; we should be held to account and feel that way. I am really fortunate that my board is excellent; every member is incredibly challenging but also very supportive of me. It is very clear they want to see the organisation succeed. As an accounting officer you have to have a mindset that this kind of thing is really healthy to ensure good governance, and we should welcome challenge.

Q147 **Peter Lamb:** Could I then broaden that out for the rest of the panel to ask, do you feel the current levels of accountability are effective, and where might there be potential areas for improvement?

Adrian Smith: I would probably just add that I entirely agree with what Elysia said about the appropriateness. It is a complex puzzle at times. In my particular situation, as well as having all the regulation and controls that we have talked about in place, I am also regulated by the Financial Conduct Authority, so we have a whole different set of regulation going on there. At times you just have to make sure that everything is joined up.

It would not be helpful if we were accountable to lots of different bodies in different ways but ultimately, if you have clear objectives and mission and you are reporting against that through shareholder meetings and using your framework document, it is proportionate. You need to comply with those things but try to do so in a very consistent way. I can



absolutely see that it could get confused and broken up in places, but you have to keep focused on the same objectives.

Q148 Peter Lamb: Yesterday we had a Cabinet Minister and permanent secretary here, and one thing which really came out of that was actually, while there are all these different lines of accountability, there were areas that did not appear to fall directly within anyone's particular remit, which is where things started to go wrong. I wonder whether, when you are talking about joining things up or lack of overlap, that is the risk that perhaps people would be investigating some areas and not others that are getting missed?

Keith Fraser: To add some more around accountability, it goes back to the point I made right at the start: we are here to deliver a public service. The Chair spoke about trust and the thoughts about those people that are in effect delivering that service on their behalf. For me that is right at the heart of this: how do we ensure that the public actually have as many opportunities as possible to look at what we are doing; how we are spending their money, and whether we are delivering something which is there for them? I am not going to go through all the lines of accountability—unless you would like me to reiterate what I do—but when you ask if there is too much, there needs to be that level of accountability. At a time when the public are more questioning and challenging—quite rightly so—but there is also a reduction in trust in those who are there on their behalf to deliver a service, we need to be doing all that we can to be transparent to the public so that they can see what we are doing and why.

Ruth Glazzard: Yes, it is about the clarity of purpose, because actually we all want the same thing. We want to deliver the priorities for the Ministers, the Ministers want to deliver something for the public, the public want that to be delivered to them. The accountability framework that we currently have, as Elysia was describing it, is perfectly normal and reasonable and you would expect it because you would expect everybody to actually be on the same page when it comes to delivering the mission of the body.

Where there is a risk is where there is a disconnect between any of those elements in terms of not fully understanding the priorities or the mission of the body. So actually, for all that to work it relies on that really strong framework in order to deliver it. Within that framework it is a reasonable level of accountability, and we all feel pretty accountable today.

Q149 Markus Campbell-Savours: While we are in this section on oversight and accountability, I just wondered if the panel were aware of the UCL Policy Lab report that was produced recently? It looked at a sample of arm's length bodies—I do not believe any of yours were a part of that work—and describes what it viewed as "Inadequate institutional defences against political interference." From what I have read of the report and the way that ministerial guidance and those relationships have been described here today, I just wondered if any of you were aware of that



report and had any views on its contents.

Keith Fraser: I am not aware of the report, but hopefully you have a feeling from us that we want to have that regular ministerial contact and regular challenge about our usefulness in relation to delivery. Without understanding the basis of that report it is difficult for me to comment on it.

Q150 **Markus Campbell-Savours:** There are the three tests, are there not, for the creation of an ALB? One is about delivering a technical service where it might be deemed necessary to take that outside of the general civil service, for whatever reason. But the other two seem to emphasise political impartiality in slightly differing ways. The question, and I am not sure if I am clear from what we have heard earlier on, is where do you want that political partnership and where are those red lines within your organisations?

Keith Fraser: I would suggest the red lines are where you would want to set them. The last seminar that we ran was about increasing trust in turbulent times because there are a lot of surveys out there around what the public think about us who are here to deliver a service on their behalf, and how we ensure that we have that public trust. Part of the way the Government can enhance that public trust, I would suggest, is around utilising the independence of public bodies in relation to how they gather or speak to the public. You have to decide where you think it is necessary to do that. That is one of the roles that my body plays, for example, in that we will speak to the sector, to those out there doing the job and to different statutory agencies to try to get an understanding of what the system is like, and then advise Government around that.

Q151 **Markus Campbell-Savours:** One of the criticisms in the report is around Ministers representing arm's length bodies on the Commons floor and the blurring of that independent relationship from Ministers, and where arm's length bodies are producing reports that may require a mandatory sign-off from Ministers or an informal influence in drafting. There was a suggestion—I hope I am not wrong here—that that was quite common.

I take the point that there is information that comes out of arm's length bodies which can be trusted because it has come from arm's length bodies, but are you confident that there is not a political filter that that information is going through before it reaches Members in this place, and the public more widely?

Keith Fraser: That is a point I spoke to earlier on: how do we ensure that our advice and the information that we provide is going direct to Ministers? Obviously the Ministers will make the decision based on the advice that we give them, the information that we give them or the function that we provide. One thing I would ask for is that there is real consistency around that line, and how that line operates across all public bodies. So if you are looking for consistency, how you ensure that you have the information that you want from us directly is one of the things I would suggest. Others will have a view on whether it will be policy, but it



HOUSE OF COMMONS

is right that you should know what your arm's length bodies are thinking and what they are doing, so how do you get that unfiltered?

Q152 Markus Campbell-Savours: Yes, there are people who know whether stuff is being wrongly filtered and there are people who do not know. My challenge to you would be that if you were to see a Minister filtering information on its way to here or the public, are you clear on what your challenge to that would look like, and are there any examples of where that challenge has happened?

Adrian Smith: I can answer that. We have a duty; we operate organisations and are the leaders that those organisations have appointed. We are accounting officers; we have to produce annual reports and accounts. Those are produced through regulation and are laid before Parliament, so we have a duty to present clear and accurate information, albeit financial and supporting information that is laid before Parliament each year. So I would hope that we absolutely would call that out. I have not read the report you referred to, and I have not heard of any examples of that anecdotally within our membership.

Markus Campbell-Savours: I am sure reading it will give you a lot more information than I have about its contents, so I would suggest you do.

Adrian Smith: Okay.

Keith Fraser: I do not have any examples of that in particular, but just something to try to reassure you of our integrity in how we operate: where we need to and it is appropriate and within our remit to do so, we will give our view on particular things, and it might not be the same as the Minister's view.

In relation to your direct example there of Ministers filtering views, I do not have any examples of that, but what I am trying to assure you of is that where it is within our role to act in an independent way and it is right to have that public voice expressed publicly, we will do that. There are examples out there of where that is done, but I would hope that there are appropriate steps taken before that public comment is made.

Ruth Glazzard: It comes back to a lot of what our answers have been today: it is about having a really strong framework, a regular process of review and ensuring that there is that clarity and transparency around that. If that is not happening then there are risks there. But it is about having that really strong framework, clear mission, regular process of review and audit, the things that we have spoken about today; a lot comes back to that point and making that as strong as it can be within all of the relationships, from the ministerial side down to the ALB.

Q153 Chair: I have two quick questions for you, Ms Glazzard; one you may not be able to answer. You spoke about the benefits as you saw them of the sort of, I think you described it as, shorter chain, but it exists in Wales.



HOUSE OF COMMONS

Would you know if that is a similar experience in Scotland?

Ruth Glazzard: From speaking to Scottish colleagues I know it is for some. It certainly is for some bodies, but I would not have a particularly strong view.

Q154 **Chair:** Just speaking back to the point we were discussing recruitment, and refreshing, widening and deepening the pool of recruitment, Mr Fraser used the phrase “right talent and skills.” Ms Glazzard—this is not a criticism—you have twice used the word “diversity”. Just for the benefit of the Committee when we come to reflect as we prepare our reports, can you tell us what you are meaning by the word diversity? It has a diverse range of meanings.

Ruth Glazzard: It is in all its guises really: it is about getting the best range of people that we possibly can on to the board. We know that generally speaking we tend to be older on boards, we tend to be whiter on boards, we tend to come from similar socioeconomic backgrounds, so actually opening all that out is really important, for me in particular. So, it is diversity in all forms.

We often see on boards that you have people who have only worked in that specific sector, so you are not really gaining learning from other sectors. Often the easy thing to do is to just go for somebody who has a very strong interest or knowledge and experience in your sector. So yes, diversity in all its diverse terms.

Q155 **Michelle Welsh:** I completely agree with the point about diversity in regard to boards, so my question would be: how do we challenge a public body whose board is everyone that works within that remit? Everybody who is on that board is involved with that organisation. I am going to say it: with the CQC for example, where everybody on that board is directly related to NHS and NHS England, how do we challenge the make-up of the boards? How do you challenge the make-up of the boards? How does that happen? You talked about the diversity of boards, and there are public bodies that may have the diversity that you talk about on paper but actually when you look at their backgrounds and the roles that they have done, it does not make for scrutiny or accountability because they are essentially scrutinising and holding themselves to accountability.

Ruth Glazzard: This is where Ministers have a really important role at the outset of the public appointments process in really setting the job spec for roles as they come on to the board. I would say that is definitely a point of challenge, and consistency around what Ministers are seeking to do with their public appointments comes in at the outset when those roles are being shaped. That would be my key consideration there.

Q156 **Luke Taylor:** Thank you for your time so far. We have had a pretty continuous series of reviews since the bonfire of the quangos and then the tailored review between 2016 and 2020. Could you, one by one, just go through and give an idea of your experience of public body reviews: how you are involved, what criteria are used, and whether the criteria are



effective? Then maybe what outcomes have been found, whether they have been implemented, and whether that has been a positive for your organisation.

Ruth Glazzard: In my professional career I worked for the financial services regulator, and I was involved in a number of reviews of the regulator before it became the Financial Conduct Authority. So from the perspective of working in a public body while it was reviewed, I have experience there. I do not have the same experience that colleagues such as Elysia would have of current public bodies being reviewed or abolished, so I probably do not have any personal experience to draw on for you there other than conversations we have had with members.

Keith Fraser: If you are looking at personal experience, I am going through one at the moment. It might not be totally appropriate for me to comment on the detail apart from saying that we have actually been involved in the process. It is quite complex in that we are subject to two reviews at the moment. We have the triennial review being conducted, but also the Government-wide review of public bodies. So, they are both happening at the same time.

That leads to a challenge in relation to how those two reviews work together and understanding how they are going to produce the outcomes that they want to achieve. Ministers are working through that—just seeking directions on the outcome of those reviews at the moment—but we have been involved in the process and our views were sought. They sought to make those reviews independent in relation to who conducts them because, as you are aware, the Cabinet Office will have a pool of lead reviewers that it will allocate to perform that task, and then it is for the sponsoring Department, alongside the Minister, to actually set the terms of reference of that review. We would have some involvement in that, but obviously the sign-off for that would be the Minister. Then on the outcome, well, we are waiting to see what the Minister's thoughts are about that at the moment.

Adrian Smith: My own experience of reviews is the current review that is under way is being led centrally, and ALBs do not have a direct involvement in that. In principle, it is very healthy. I do not think any ALB should be in prematurity right to exist, so making sure that regular review is undertaken is right.

I can really only comment from personal experience on the current review, which we are awaiting the outcome of. But as we understand, it is wide-ranging; I do not have any more detail. As an ALB CEO, there is no direct involvement.

Elysia McCaffrey: When I was previously a civil servant I did some work with the Cabinet Office on the methodology for the tailored reviews. Since then, I have not actually been reviewed. It would not have been a good use of time to review my organisation because of the fact that it has been known what the trajectory is: that we are going to be abolished and this



HOUSE OF COMMONS

new body set up. When we have talked about the levels of accountability we have every day through different means, the reviews can be very deep and lengthy. It would be a benefit to have something that is lighter touch and more regular, that just examines that question of whether this body should still exist. If the answer is very obviously yes, then you move on to your next review. But at the moment, it feels like the reviews do not come along very often and when they do, there is a huge amount of work to do to prepare and be ready and to show your evidence. Actually, something that was lighter touch and more regular would deliver more benefits.

Q157 Luke Taylor: So less Ofsted-ing and more kind of continuous coaching and reviews of how organisations are functioning?

Elysia McCaffrey: Yes, because we have that kind of Ofsted-ing anyway. I neglected to mention that because we have police powers, we are also inspected by HMICFRS and IPCO, so there is a huge amount there already that does that kind of Ofsted-ing of us.

Q158 Michelle Welsh: This has partly been answered already, but many successive Governments have said about closing arm's length bodies; they always go to you, and I have to say there are some very effective public bodies but some very ineffective ones as well, and perhaps we could all agree on that. Why do you think there are still so many public bodies, despite successive Governments saying that they want to reduce them? Do you have a perspective on that?

Keith Fraser: I have a perspective on it; I do not think I would go down the line of too many, too little or too few, really. I kind of say, "What is it that Government want to do and what is the best way to deliver?" I would not get into that kind of conversation about whether there are too many or too few. Really, it is for you to decide what services you want to deliver and what is the arm—whether it be within a Department or a public body—to deliver that. The Government are currently setting up a number of new arm's length bodies; there is almost a contradiction in the kind of public narrative that you articulated in that there are too many but the Government, at this moment in time, are still setting up new arm's length bodies. I mentioned three earlier on, and there are others on top of that.

Q159 Michelle Welsh: You have partly answered the second part of my question because it is not necessarily about the reduction of arm's length bodies, but really the answer is about making those that are ineffective effective and reviewing them to make sure that they are doing the job that they should be doing. You are right, we can look at numbers and say, "There are a lot," and there are a lot, but it is about how effective they are and whether they are doing what they should be doing.

Keith Fraser: That is one thing that I will totally agree with you on: all the chairs I have spoken to are all asking for some consistency about that review. We have been saying that the B side and the A side of the



record—if people remember what records are—is that we want that regularity of reviews. There needs to be a set pattern around those reviews taking place to answer the point that you are taking so that you can get that assurance around whether we should be here or not, and if we are here and we are needed, are we doing a good job for the public? That is not currently happening.

Q160 **Michelle Welsh:** How many of you are there, I hasten to add?

Keith Fraser: As in public bodies? There are about 304 public bodies and 10 of those public bodies have 90% of the total of the 300 and something-odd thousand people; there are about 390,000 people who are employed by public bodies. One of the largest bodies was NHS England. There is a process going on at the moment regarding the abolition of NHS England; that is one of the largest public bodies.

So for me there is quite a concentration there, and then behind that 10 of them have 90% of those 300-odd thousand people. But you can see that there are a number of bodies doing some quite niche work on behalf of Government and they are not large organisations. My organisation, for example, employs around 100 people; they are not significant bodies in relation to that. But what these bodies do is around how you test what is valuable or not for the public. I would say

that what we are doing at the moment is valuable from what I started to articulate earlier on around youth justice.

Chair: No other colleague has sought to catch my eye; so thank you very much indeed to our witnesses. We are grateful to you for your insight and observations and for helping us develop our understanding of the sector and the landscape. Thank you all very much indeed.