

How Ministers can and should supervise government bodies

There are three main roles for Ministers to perform when supervising and sponsoring quangos or so called independent government bodies.

The first is to supervise the expenditures of public money. These bodies often rely on substantial grant income which needs to be agreed with Ministers and approved by Parliament as part of the annual national budget. A Minister can reasonably ask for a budget meeting with the quango to discuss their financial needs and to indicate to them likely financial support levels. There may need to be follow up exchanges depending on the negotiations within government with the Treasury about what is affordable. The budget meeting is a good opportunity to review the aims and resources of the body, to press for better value for money and to define precisely for the following year what is expected and what is needed by way of financial support. This is a process which gets reported to Parliament and can be subject to debate if the budget of a quango becomes a matter of public or Opposition concern.

Some of these quangos depend in whole or part on money they raise from charging user fees and licence fees on those who use their service. Usually the fee levels are regulated under legislative powers by Statutory Instrument. Often these bodies want annual fee increases which will need SI amendment and therefore Ministerial and Parliamentary approval. Under weak Ministers there is a tendency to accept any fee increase proposal the body requests, and to hope that the Opposition in Parliament will not bother to query or debate it. As left of centre oppositions rarely object to higher public sector fees and charges it is particularly incumbent on Conservative Ministers to be vigilant in the public and user interest. This is another variant of the budget review and conversation.

The second is to review and report on the annual performance of the body to Parliament. The Minister can ask to see a draft copy of the body's annual report to review, or can require a meeting with the body after it has submitted its annual report to the sponsor department. This is another good occasion to review the aims and achievements of the body, to thank them if they have done well or to ask them to do better if they have not. It is a good idea for a Minister to show interest in the performance targets to be set for the ensuing year and in the performance achieved in the year under review. Again Parliament may if it wishes receive, read and debate the report of a government body.

The third is to require additional special meetings if the government wishes to change the aims and demands on the body, or if the body needs to report unexpected problems and difficulties, or if the Minister has become aware of a body of complaints and criticisms that are or will become public that he or she needs to answer. Such matters should of course be reported to Parliament unless there is some special good reason for confidentiality because for

example matters relate to a vulnerable individual or to possible legal proceedings that must not be prejudiced..

Ministers are also entitled to become involved with recruitment to Boards of these bodies and to some of the senior management positions. If there is to be a change of chairman or chief executive this is another good opportunity to review performance and ask questions about aims and targets for the future.

If there is a good series of meetings for the more important quangos Ministers should avoid nasty surprises about the conduct and performance of these bodies, and the leaders of these bodies would stay well informed about the overall government policy context in which they are working and about the likely level of resources they will enjoy to carry out their tasks. The bodies should remember they are governmental and part of a greater whole answerable to Parliament. Ministers should remember they are not the day to day managers , they do not have quasi judicial powers over the regulatory work of these bodies and should not normally intervene in individual cases.