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MINISTER OF STATE, PRIVY COUNCIL OFFICE

PRIME MINISTER

Bt on 15/7 pl.  
MCA 16/7

14 July 1986

REVIEWS OF NON-DEPARTMENTAL PUBLIC BODIES: PROGRESS REPORT

... I attach a report from Peter Brooke and myself on the progress of the programme of reviews of non-departmental public bodies which you launched in a personal minute to Ministers in charge of departments on 22 October 1984.

- at 15/7 pt. 16  
GOUVERNEMENT CANADIEN

The programme of reviews will be substantially completed by April 1987 and we will submit a report this time next year. The attached report summarises progress up to April 1986, and has been prepared to allow you and Ministers in charge of departments to take stock of progress to date. We propose that it should be regarded primarily as an internal working document and should not be published.

Half of all executive bodies have been reviewed, a quarter of advisory bodies and 40 per cent of tribunals. This review programme and parallel initiatives have saved £15 million (£13 million in the Agricultural and Food Research Council). The main results are that departments and NDPBs are committed to better planning and control, to developing performance measures and to setting value for money targets. This extends to NDPBs the approach we have been taking in the Civil Service.

The report makes recommendations for making the remainder of the review programme more effective and for future action. We endorse these recommendations and think it is particularly important that, for the remainder of the review programme:

- some reviews might be more selective in the issues investigated in depth, so as to concentrate on key areas such as measures of performance and value for money targets;
- reviews should lead to an action plan, with dates for implementing recommendations and targets for improved performance;
- departments should be alert to the possibility of comparison and collaboration between reviews of comparable bodies.



MINISTER OF STATE AFFAIRS

COMMISSIONER

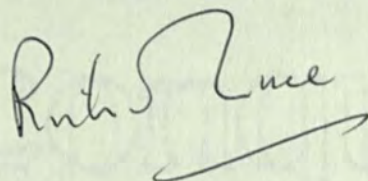




MPO and Treasury officials will continue to monitor the review programme and the implementation of key recommendations, but it is of course primarily Ministers in charge of departments and their senior officials who can best ensure these reforms are used and become more widespread.

While this programme of reviews will thin out any NDPBs whose existence is no longer essential, we will only control the total number of quangos satisfactorily if we all robustly resist pressures to set up new bodies. As well as acting on the recommendations of this progress report, I therefore hope that Ministerial colleagues in charge of departments will renew their resolve not to consider setting up an NDPB unless this is demonstrably the most cost-effective option.

A copy of this minute and the report goes to Ministers in charge of departments.

A handwritten signature in dark ink, appearing to read 'Richard Luce', with a long horizontal flourish extending to the right.

RICHARD LUCE



**Reviews of Non - Departmental Public Bodies**

**PROGRESS  
REPORT**

**Cabinet Office (MPO)  
HM Treasury**

**July 1986**



## Reviews of Non-Departmental Public Bodies

### PROGRESS REPORT

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## REVIEWS OF NON-DEPARTMENTAL PUBLIC BODIES

### Introduction: REASONS FOR REVIEWS

I.1 Non-departmental public bodies (NDPBs or quangos) account for a sizeable portion of the public sector. In 1985 there were some 1650 bodies; between them they employed almost 140,000 staff and recorded a total expenditure of £7.8 billion, of which £5.1 billion was funded by central Government. Two NDPBs, the MSC and the Housing Corporation, accounted for £2.3 billion of this public expenditure. The next 25 NDPBs in order of size accounted for approximately £2.1 billion.

I.2 There are three main categories of NDPB:

bodies with executive, administrative, regulatory or commercial functions, which usually employ their own staff and spend money (referred to below as "executive" bodies);

advisory bodies, normally supported by civil servants in the sponsoring department and not usually responsible for allocating resources;

tribunals, which perform a quasi-judicial role and do not normally employ their own staff.

In 1984 there were just over 400 executive bodies, almost 1100 advisory bodies and 71 tribunals. (There were also 120 'other' bodies, mainly Boards of Visitors to Penal Establishments.)



I.3 Although over 700 bodies had been wound up since the major review of NDPBs in 1979, a study by the Financial Management Unit in 1984 found that some bodies still lacked "adequate mechanisms for defining and refining their objectives, for setting targets and for assessing actual achievements; the arrangements for forecasting and controlling expenditure could also be improved." It was therefore decided that the regular programme of reviews of NDPBs should be strengthened by a cycle of financial management surveys to be largely completed by April 1987. This initiative was announced by the Prime Minister on 19 November 1984.

I.4 In a financial management survey each department in collaboration with the management of its sponsored bodies would look for ways of improving the planning and control of what they do so as to produce better performance year by year. The aim was to give ministers and managers the means to define objectives, set targets and assess achievements. Tangible improvements in value for money were to be looked for from 1985-86 onwards. In addition, all NDPBs would continue to be subject to policy reviews in which the basic justification for each body was critically examined and also the appropriateness of its current structure to performing its allotted functions.

I.5 This report summarises progress with financial management surveys and policy reviews up to April 1986.



## Chapter 1: PROGRESS WITH REVIEWS

### Executive bodies

1.1 Up to April 1986 a financial management survey, a policy review, or both, had been completed for almost half of all executive bodies. The bodies reviewed accounted for 45 percent of total Government funds spent through NDPBs and also for 45 percent of all staff employed by NDPBs. In general, departments with large numbers of NDPBs, such as the Scottish Office, Department of Employment and MAFF, reviewed a high percentage of their executive bodies. Table 1, in which departments are listed according to the number of executive bodies they sponsor, gives details of the number of bodies reviewed. The percentage of total departmental bodies and the percentage in terms of departmental expenditure through NDPBs and in terms of staff employed in NDPBs is also shown. Bodies sponsored by the Northern Ireland Office are included in this table and the rest of the report. Reviews of bodies sponsored by Northern Ireland Departments are the subject of a separate report being prepared by the Department of Finance and Personnel (NI). These bodies (47 executive, 44 advisory and 11 tribunals) have been excluded from the following tables and the remainder of this report.



Table 1: Executive Bodies Reviewed up to April 1986

<u>Department</u>	<u>NDPBs</u>		<u>Percentage Reviewed</u>		
	<u>Total</u>	<u>Number Reviewed</u>	<u>Number of NDPBs</u>	<u>Deptl. NDPB expenditure</u>	<u>Staff in NDPBs</u>
Scottish Office	75	50	67	64	92
DTI	57	2	4	19	27
DE	44	37	84	11	19
MAFF	35	29	83	40	16
DOE	28	11	39	66	51
OAL	20	1	5	45	5
DES	16	10*	62*	97*	92*
Welsh Office	16	9	56	17	33
Home Office	13	6	46	80	42
DHSS	12	7	58	76	94
NIO	7	0	0	0	0
FCO	7	3	43	0	0
ODA	6	4	67	3	75
DTp	6	3	50	100	97
MOD	6	0	0	0	0
HMT	2	0	0	0	0
DEn	1	1	100	10	10
IR	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	352	173	49	45	45
	—	—	—	—	—

\*DES figures include the 5 Research Councils which have been the subject of a resource management study and an efficiency scrutiny of their common services. Financial management surveys of the Research Councils will be completed later in the current cycle. (If the Research Councils are excluded, 31% by number, 2% by expenditure, and 4% by staff numbers have been reviewed.)



## Advisory bodies

1.2 Approximately one quarter of all advisory bodies have been subject to a policy review (238 out of 1022 bodies). Departments with large numbers of advisory bodies have, in general, reviewed between a quarter and a third of their NDPBs though there is considerable variation between departments: MOD has reviewed all of its 43 advisory bodies; the Home Office has reviewed 3 of its 131 advisory bodies (101 of which are Local Review Committees at prison establishments which will be reviewed in 1986-87); and the Lord Chancellor's Department planned no reviews of advisory bodies in 1985 but is working to a timetable which will ensure that all of its 217 advisory bodies have been reviewed by the end of 1986. Table 2 shows the number of advisory NDPBs so far reviewed by each department (departments listed in order of number of advisory bodies).



Table 2: Advisory NDPBs reviewed up to April 1986

<u>Department</u>	<u>No. of Adv. NDPBs</u>	<u>No. Reviewed</u>	<u>Percent Reviewed</u>
LCD	217	0	0
DE	183	62	34
HO	131	3	3
DHSS	130	51	39
Scottish Office	127	26	20
MAFF	52	12	23
MOD	43	43	100
Welsh Office	31	13	42
DTI	27	6	22
(incl. ECGD	1	1	100)
DOE	23	3	13
DES	13	3	23
CO(MPO)	9	4	50
HMT	7	1	14
FCO	6	4	67
ODA	5	4	80
DTp	5	0	0
OAL	4	1	25
DEn	4	1	25
NIO	2	0	0
SCA	1	0	0
COI	1	0	0
<b>Total</b>	<u>1022</u>	<u>238</u>	<u>23</u>



## Tribunals

1.3 Out of 53 tribunals sponsored by departments in 1985, 20 had been reviewed up to April 1986. Table 3 gives details of the number of tribunals reviewed by each department. Responsibility for the VAT tribunal (previously sponsored by Customs and Excise) has recently been transferred to the Lord Chancellor's Department who will be reviewing this body.

Table 3: Tribunals reviewed up to April 1986

Department	<u>No. of Tribunals</u>	<u>No. Reviewed</u>
HO	11	4
DHSS	8	8
DTI	5	2
Welsh Office	4	1
DE	4	0
MAFF	3	0
DOE	3	1
LCD	3	2
Scottish Office	3	0
IR	2	0
FCO/ODA	2	1
SCA	2	0
DTP	2	0
DES	1	1
Total	<u>53</u>	<u>20</u>



## Chapter 2: SUMMARY OF RESULTS OF REVIEWS

2.1 The objective of each financial management survey is to identify how the NDPB surveyed can improve its planning and control systems thus achieving better value for money. Policy reviews examine the need for each body and the appropriateness of its current structure to carrying out its agreed functions. The current cycle of reviews can therefore lead to

- (i) winding up or restructuring of an NDPB;
- (ii) identified savings;
- (iii) improved systems allowing better assessment of value for money.

2.2 This cycle of reviews should be seen in context. Since the major Pliatzky review in 1979 which led to 240 bodies being wound up, all NDPBs have been subject to regular reviews (every 3 to 5 years) and over 500 additional bodies have been wound up or rationalised as a result. Also, by early 1985, some departments were already looking at the objectives and resources of NDPBs within their top management systems. Savings, improved planning and control systems and decisions to wind up NDPBs have therefore stemmed from good management practice and other initiatives as well as the formal programme of reviews.



### NDPBs wound up

2.3 As a result of this review cycle 15 NDPBs will be wound up: 1 executive body, the Eggs Authority, sponsored by MAFF (leading to a saving of £250,000 of public expenditure, £2.9m in other savings, mainly in statutory levies, and 35 staff who were employed by the body, offset by the need for 5 additional departmental staff to carry on the necessary statistical work), and 14 advisory bodies sponsored by DHSS which will result in savings of £216,000. The future of some other bodies is still under consideration: for example the National Seed Development Organisation (a MAFF body) will be privatised if this can be achieved on satisfactory terms.

2.4 Table 4 shows details of 40 bodies which have been wound up as a result of management decisions or other initiatives since April 1984. Winding up these bodies has produced annual savings of almost half a million pounds and 24 staff.



Table 4: NDPBs wound up since April 1984 (not as a result of current review cycle)

<u>Department</u>	<u>NDPBs wound up*</u>	<u>Savings</u> <u>£/year</u>	<u>staff</u>	<u>Source of decision</u>
DOE	5 Ex 3 Adv	15,000	2	Govt. policy on New town DCs; Ministerial decisions
Scottish Office	3 Ex 3 Adv	34,000		Previous reviews; Completion of tasks; Ministerial decision
DHSS	3 Adv 3 Tri	132,000		
LCD	5 Adv	33,000		
DTI	1 Ex 3 Adv	32,000	11	Legislation; Ministerial decisions
Welsh Office	2 Adv	44,000	1	Ministerial decision
DES	2 Adv	19,000		
HO	2 Adv	10,000	1	
DE	1 Ex 1 Adv	100,000	9	
DTp	1 Ex			
MAFF	1 Adv	13,000		Ministerial decision
ODA	<u>1 Adv</u>	<u>33,000</u>	<u>    </u>	
Total	<u>40</u>	<u>465,000</u>	<u>24</u>	

\* Ex = executive body  
Adv = advisory body  
Tri = tribunal



## Savings identified

2.5 In the course of the NDPB reviews and as a result of allied initiatives a number of savings, both in money and staff, have been identified. The largest single reduction, of £13 million a year expenditure and a saving of over 1100 staff in the Agricultural and Food Research Council (AFRC), resulted from a reduction in its share of the Science Budget monies followed by a reduction in MAFF commissioned research at the AFRC. Table 5 shows details of this and other savings identified by departments. Savings forecast for 1986/87 are shown separately.

Table 5: Savings identified up to April 1986 (other than savings shown in Table 4)

<u>Department</u>	<u>Savings to date</u>		<u>Savings for 1986/87</u>	
	<u>£'000</u>	<u>Staff</u>	<u>£'000</u>	<u>Staff</u>
DES (AFRC)	13,000pa	1178	6,000pa	600
DES (other RCs)	295	38	9	1
DHSS	1,548	3	120	1
MAFF*	3	-	101	-
HO	-	3	97	-
DE	78	12	68	3
Scottish Office	38	1	20	-
LCD	-	1	8	1
HMT	-	-	7	-
Welsh Office	-	12	-	194
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total	<u>14,962</u>	<u>1248</u>	<u>6,430</u>	<u>800</u>

\*Subject to finalisation of reports

Excluding the AFRC contribution, almost £2m of savings have already been achieved with further saving of £430,000 estimated for 1986/87. There will be a further reduction in staff numbers in Research Councils: 30 fewer staff in SERC and 8 fewer in NERC. The savings of 12 staff to date recorded by the Welsh Office arose from the sale of its town centre by Cwmbran Development Corporation: the transfer of its residual housing and community related assets to the local authority on 1 April 1986 produced a further saving of 194 posts.



## Value for money improvements

2.6 Departments reported value for money improvements under three headings: improvements in output or performance, targets set, for example for unit costs or increased earnings, and 'other improvements'. A summary of these value for money improvements appear in Annex B as Tables 6, 7 and 8. In these tables, departments are listed in descending order of central funding of NDPBs. This is shown in brackets underneath each department.

2.7 In general, the entries in tables 6, 7 and 8 record changes which resulted from the reviews or recent allied initiatives. There was, of course, considerable variation in the systems already being used by different NDPBs at the start of the cycle as well as in what departments chose to report. This has meant that changes recorded as leading to improved target setting or better value for money in one NDPB (for example the introduction of corporate planning) may not have been mentioned by another body whose systems were already developed to this stage (or beyond) at the beginning of the review cycle.

2.8 Short accounts of each department's progress with the review programme appear in Annex A.



### Chapter 3: CONCLUSIONS AND RECOMMENDATIONS

3.1 So far the major outcomes of the NDPB reviews have been a commitment to introduce improved planning and control systems, clearer relationships between NDPBs and sponsoring departments, the development of performance measures and the setting of targets.

3.2 There is much in the results so far which is encouraging. Positive steps have been taken to extend to NDPBs the expectation of steadily improving performance and the setting of specific targets for better value for money. We should build on this progress and, for the remainder of the review cycle, emphasise the need for departments and NDPBs to agree at the end of each review a precise action plan, with dates for implementing key recommendations and targets for improved performance.

3.3 The report in April 1986 by Sir Robin Ibbs on value for money targets emphasised that the arm's length relationship between central government and NDPBs is conducive to good target setting. Reviews should aim to pinpoint opportunities for departments to agree targets with their sponsored bodies for example as being developed by the DOE and the London Dockland's Development Corporation via the LDDC's corporate plan.

3.4 Many Departments have already made efforts to review the need for each NDPB and to consider its objectives and resourcing within their top management systems; DHSS, for example, has used the Divisional Management Accounts system to carry out an



annual check on advisory and tribunal bodies and has introduced annual accountability reviews for the major executive bodies in the health field. In other cases the reviews have resulted in departments deciding to integrate the planning and budgeting cycles of specific bodies with their own planning cycle - for example SITPRO (the Simplification of International Trade Procedures Board) at the DTI.

3.5 However the review programme has consumed significant resources and, for the remainder of the review programme, it is important that such resources are used as effectively as possible.

3.6 We have discussed this draft report with departments who are genuinely keen to make the reviews more productive and together we have formulated the following recommendations.

3.7 Recommendations for remainder of review cycle

(i) departments should continue to review NDPBs in accordance with the programmes they agreed with the Cabinet Office (MPO) and Treasury;

(ii) some reviews might be more selective in the major issues they investigate starting with a quick overview of the body's operations and then concentrating on identified areas of concern. It is up to departments and NDPBs to select these areas but they should continue to give particular attention to -

the formal and informal relationships between the NDPB and the department;

the means of setting measurable objectives and targets for improving value for money;



bringing together the means by which the NDPB's targets and resources are decided (corporate plan, business plan, etc) and the decisions on priorities and resources for the department's programme in its top management system and the public expenditure survey;

(iii) an action plan, with dates for implementing key recommendations and targets for improved performance, should be agreed at the end of each review and included in the review report;

(iv) departments with large NDPBs due for review in 1986-87 should consider whether some reviews should be carried out as efficiency scrutinies;

(v) as well as learning from experiences with early reviews of their own NDPBs, departments should be alert to the possibility of learning from and collaborating with other departments who sponsor bodies operating in comparable areas. Similar planning and control systems may be appropriate for bodies with comparable objectives and areas of operation. Also, collaboration between departments in carrying out policy reviews may identify areas of overlap between bodies sponsored by different departments.

(vi) MPO/Treasury should select a few examples of workmanlike reviews and ask the departments who produced them to make copies of these reports available to other departments.



### 3.8 Systems must be used

The best of corporate plans or management systems still relies on top management using it to challenge plans and decide what performance should be expected from what resources. Ministers and senior staff in NDPBs and in departments should use new or existing systems to conduct dialogues about plans, priorities and targets.

### 3.9 Future action

The Treasury and MPO should report again on the review programme in summer, 1987. They should also continue to monitor implementation of the recommendations by looking for improved definitions of objectives, value for money improvements, and targets for improvements. These should appear in annual reports, in corporate plans and in the Public Expenditure Survey.



## ANNEX A

### SUMMARY OF REVIEWS IN SPONSORING DEPARTMENTS

A.1 This annex summarises progress with the review programme in each department. Departmental sections are arranged in order of total central funding devoted to NDPBs by the sponsoring department. This is shown in brackets at the beginning of each departmental section along with the total number of staff employed in executive bodies.

#### A.2 Department of Employment (£1720m; 40,800 staff)

A.2.1 The DE reviewed 37 of its 44 executive bodies, including ACAS, HSC/E, 26 Wages Councils and 7 Industrial Training Boards. These bodies account for £181m of public expenditure and employ some 7850 staff. DE also reviewed 62 of their 183 advisory bodies, including 55 Area Manpower Boards. Industrial Tribunals and the Employment Appeals Tribunal are, subject to recognised judicial independence, fully integrated with DE's own management systems and were reviewed within this framework.

A.2.2 As a result of earlier initiatives ACAS had already achieved savings in administrative costs and was monitoring a number of output measures. For example between 1984 and 1985 staff numbers were reduced from 628 to 610 but more diagnostic surveys, advisory projects, extended training exercises and collective conciliation cases were handled. The number of individual conciliation cases rose from 42,720 in 1984 to just under 42,000 in 1985. Following the financial management survey it has been agreed that ACAS will submit annual management reports to the DE Permanent Secretary.



A.2.3 Though not included in the NDPB review cycle, so far, MSC reported a number of value for money improvements. Indicators such as cost per start, starts per member of staff and programme cost per person off unemployment count are recorded for all major MSC schemes: in general these have been held constant or moved in the right direction over the last year. A number of practical advantages are recorded resulting from devolved budgetary control - for example challenging a quotation of £400,000 for re-roofing a Skillcentre resulted in comparatively minor repairs to guttering being carried out instead at a cost of £30,000.

A.2.4 No change was found desirable in the advisory bodies reviewed.

A.2.5 Initiatives in the Industrial and the Employment Appeal Tribunal have lead to a total saving of about £80,000 (in reduced staff) and further savings of about £70,000 are expected in 1986/87.

A.3 Department of the Environment(£1248m; 8500 staff)

A.3.1 DOE has reviewed 11 of its 28 executive NDPBs (accounting for £845m of public expenditure and employing 4900 staff), 3 of its 23 advisory bodies and 1 of its 3 groups of tribunals. The executive bodies reviewed include the Housing Corporation, one of the biggest NDPBs spending over £700m a year, the Commission for New Towns and the six remaining New Town Development Corporations.



A.3.2 Corporate planning had already been introduced in the Housing Corporation and targets set for each of the Corporations main objectives. As a result of the financial management survey, targets have been set for the development of further performance measures which will enable comparison to be made between tenures and different constituents of the Corporation programme.

A.3.3 No change was recommended in two advisory bodies (the Building Regulations Advisory Committee and the Royal Commission on Environmental Pollution) but working arrangements have been streamlined in the Property Advisory Group by arranging fewer formal meetings and conducting work through more focused ad-hoc sub-groups.

A.3.4 A system of benchmarks has been introduced for the 13 Rent Assessment Panels to achieve greater consistency of staff to workload ratios between panels. Annual staff in post targets have been set for these tribunals: the 1986/87 target is to reduce staff from 128 to 120.

A.4 Department of Education and Science(£632m; 12,800 staff)

A.4.1 DES has 16 executive bodies, 13 advisory bodies and 1 tribunal. The 5 Research Councils, which between them received over £610m, form the biggest block of executive bodies.

A.4.2 By April 1986 DES had completed policy reviews of 3 bodies which between them employed some 240 staff and received just over £1m grant in aid in 1985 (Business and Technician Education Council, BTEC, the Centre for Information on Language Teaching and Research, CILT, and the Council for Educational Technology, CET). The Research Councils were all included in the recent Resource Management Study at DES and, in addition, the DES Parliamentary Under Secretary of State had held a series of



discussions with the Heads of Research Councils on corporate planning, the peer review system and value for money. The DES have also arranged the completion of an efficiency scrutiny of the common services of the Research Councils. These studies will underpin financial management surveys of the Research Councils which are scheduled for later this year or early in 1987.

A.4.3 The financial management systems of the CNAA had recently been scrutinised by Price Waterhouse and the Lindop Committee's investigation of this body took the place of a standard policy review. A Pliatzky review of the National Youth Bureau had been carried out in 1983 and the implementation of its recommendations was still under consideration in DES in early 1985. This earlier review has therefore been counted as part of the current cycle.

A.4.4 A number of value for money improvements have been identified in DES sponsored bodies; savings of £400,000 per year have been identified in the MRC through improved purchasing procedures; improved financial management information systems at the CNAA provide senior staff with the basis for target setting and have led to reductions in registration fees the effect of which is still being quantified. Separate reviews and decisions have lead to a reduction of over 1000 staff at the AFRC and savings of £13m.

A.5 Scottish Office (£381m; 16,100 staff)

A.5.1 By April 1986 the Scottish Office had reviewed 50 of its 75 executive bodies and 26 of its 127 advisory bodies. The executive bodies reviewed accounted for £244m of public expenditure and employed almost 14,800 staff. The review programme is being tackled systematically with a computer programme keeping up-to-date records of progress and future timetable. Although it has been agreed that their timetable for completing all reviews should be extended because of the large



number of NDPBs sponsored by the Scottish Office, the programme should be substantially finished by April 1987 with all major executive bodies having been reviewed by then.

A.5.2 Reviews completed so far have resulted in a management reorganisation of the Scottish Agricultural Colleges which will be completed by April 1987 and a decision to amalgamate two Agricultural Research Institutes. Potential savings of £20,000 per year and further as yet unquantified savings have been identified at the Scottish Tourist Board and the STEAC report has recommended that the 7 Scottish Colleges of Education should be reduced to 4. Final decisions have yet to be taken on these reports. As a result of a review, sponsorship of the Scottish National Camps Association is to move to the voluntary sector and this body will then cease to be an NDPB.

A.6 Northern Ireland Office (£268m; 16,200 staff)

A.6.1 The Northern Ireland Office has started reviews of 3 of its 7 executive bodies. The largest of these is the Police Authority, Northern Ireland (PANI) which employs some 15,000 staff and has annual funding of over £250m. PANI's plans include upgrading or replacing existing computerised systems and devising an effective management accounting structure. Studies within the Royal Ulster Constabulary have led to the development of new manpower orientated control systems and a decision that all levels of command will become involved in the setting of force financial targets. The policy review of the Police Complaints Board will be contained in the setting up of a new Commission to replace the Board. The necessary legislation should be drafted by mid-July and the order laid by December 1986.

A.6.2 One advisory body has been reviewed and no change recommended.



A.7 Office of Arts and Libraries (£221m; 7,400 staff)

A.7.1 The OAL is a small department (about 50 staff) virtually all of whose PES allocation is devoted to funding its 20 executive NDPBs - which include the Arts Council and 14 major museums and galleries. When the current cycle of NDPB reviews was launched OAL had already embarked on a programme of staff inspections, reviews and scrutinies of particular systems in its sponsored bodies. The Department has therefore continued this programme of work supplemented where appropriate by reviews of individual bodies. The principal efficiency exercises which OAL has pursued for groups of NDPBs are listed in Annex B. In addition, a review of organisation and management systems of the Arts Council has been completed, and other efficiency scrutinies of individual bodies are under way.

A.8 Department of Energy (£200m; 14,000 staff)

A.8.1 The Department of Energy sponsors only one executive NDPB, the Atomic Energy Authority whose annual funding from central government is approximately £200m. This body was the subject of a policy review in 1984 which led to a decision by Ministers to set the AEA up as a trading fund with effect from 1 April 1986. This body will be reviewed once it has had time to settle into its new operational mode as a trading fund.

A.9 Department of Health and Social Security (£163m; 3,200 staff)

A.9.1 The DHSS has integrated the NDPB reviews with their other FMI implementation. Their annual objective setting and performance review process has been extended to bodies which manage significant resources and other bodies have been



incorporated in their Departmental Management Accounts process. Within this framework 7 of their 12 executive bodies have been reviewed, including the English National Board for Nursing, Midwifery and Health Visiting, ENB, (expenditure of £67m in 1984/85) and the Public Health Laboratory Service Board, PHLSB, (which employs over 2000 staff and received central funding of £34m in 1984/85). In total, the executive bodies reviewed account for £124m and employ just over 3,000 staff). 51 out of 130 advisory bodies have been reviewed and all 8 tribunals.

A.9.2. As a result of the reviews or other initiatives 17 advisory bodies have been wound up, savings of over £1.5 million have been achieved so far in executive bodies and a large number of value for money improvements have been identified. These include increased workload and productivity at the PHLSB (since 1979/80 staff have been reduced by 6% while workload has increased by 18%); increased administrative workload of about 20% has been contained within existing resources at the National Biological Standards Board and a number of targets set for reviewing the Board's management and control systems; the ENBNMHV has been set targets of achieving a 1 per cent savings (£40-£45,000) on HQ operations and of examining the scope for using performance indicators to approve institutions and to monitor their output and use of resources; the Health Education Council has been set targets of developing management accounting in 1986/87, moving to cost-centre budgeting in 1987/88 and building evaluation into campaign planning.

A.10 Foreign and Commonwealth Office (£85m; .4300 staff)

A.10.1           Reviews are still under way of the major NDPBs sponsored by the Foreign and Commonwealth Office, namely the British Council (annual funding approximately £157m) and the Commonwealth Institutes (annual funding £2.3m). Reviews have



been completed for 3 minor executive bodies (total funding under £0.3m, employing 9 staff) and 3 advisory bodies but no changes have been recommended. The review of one minor tribunal, the Foreign Compensation Commission revealed that its work programme was progressing very slowly. A number of brisk and sensible recommendations were made to improve work practices, save staff and wind up the Commission when its task has been completed.

A.11 Welsh Office (£78m; 1700 staff)

A.11.1 The Welsh Office has reviewed 9 of its 16 executive NDPBs including the Sports Council for Wales (spending £2.8m and employing 140 staff) and the Wales Tourist Board (spending £6.4m and employing 110 staff). Cymru Development Council (spending £4m and employing 312 staff) was the subject of a separate Ministerial review. The 6 Welsh Agricultural Wages Committees (AWC) were covered by the MAFF review of the AWCS for England and Wales. Work is in hand with the Sports Council for Wales to develop better performance indicators and to improve their financial management information systems.

A.11.2 One tribunal was reviewed and some potential longer term savings were identified. Thirteen advisory bodies were reviewed. The Department will provide the Welsh Medical Committee with a structured yearly programme of issues on which their advice will be sought. The coverage of the Welsh Scheme for the Development of Health and Social Research will be changed and the scheme better publicised.

A.12 Overseas Development Administration (£45m; 1300 staff)

A.12.1 The Overseas Development Administration has reviewed 4 of its 6 executive NDPBs (accounting for about £1m of public expenditure and employing some 970 staff) and 4 of its 5



advisory bodies. Savings of over £100,000 in 1986/87 are forecast at the Institute of Development Studies and work is in hand on performance indicators and other value for money improvements at the UK Trade Agency for Developing Countries (UKTA). There have been significant increases in output in several UKTA activities, for example in 1984 43 company profiles covering 63 product groups were produced while in 1985 65 company profiles covering 76 product groups were produced. There has been a fourfold increase in the number of importer enquiries handled over the last few years and also in the number of outlets through which trade opportunities are disseminated.

A.13 Department of Trade and Industry (£25.8m; 1230 staff)

A.13.1 The DTI has completed reviews of two executive bodies, the Simplification of International Trade Procedures Board (SITPRO) and the Design Council which, between them, account for £4.8m and employ some 330 staff. A review of the Monopolies and Mergers Commission is under way. Although DTI is recorded as having 57 executive bodies, 45 of these are small consumer consultative bodies 13 of which will be wound up with the privatisation of British Gas. The British Film Fund Agency will also be wound up shortly. Six advisory bodies (out of 28) and 2 (out of 5) tribunals have also been reviewed.

A.13.2 Both in SITPRO and the Design Council activity has increased considerably in recent years with no comparable increase in resourcing. SITPRO's earned income has increased from £57K in 1980/81 (11% of total expenditure) to £318K in 1985/86 (37% of total expenditure). The staff complement has increased by only 1 since 1980/81. SITPRO has set itself annual targets and has in fact already achieved that set for 1987/88. The targets will be reviewed at the year end. The Design Council has



achieved break-even on all its major commercial activities except one and has been set a target of improving on this performance. Design Council staff have been reduced from 340 in 1979/80 to 302 in 1985.

A.13.3 No change was recommended in the 2 tribunals or 5 of the advisory bodies reviewed (this includes the Export Guarantees Advisory Council which was reviewed by ECGD). The remaining advisory body reviewed, the Mobile Radio Committee, has been wound up but will be replaced by the Civil Land Mobile Radio Committee as recommended following the Merriman report.

A.14 Ministry of Agriculture, Fisheries and Food  
(£24.6m; 2300 staff)

A.14.1 MAFF has reviewed 29 of its 35 executive NDPBs and 12 of its 52 advisory bodies. These bodies account for just under £10m of public expenditure and employ some 370 staff. The decision to wind up the Eggs Authority will save 35 staff employed by the Authority (offset by an increase of 5 departmental staff to carry on statistical work) and £250,000 per year of grant as well as £2.88 million other savings, mainly in statutory levy. Savings of £28,000 per year have been identified between the Agricultural Wages Board and the 24 Agricultural Wages Committees. The Agricultural Wages Committees have been set a target of producing savings of 5 percent (£600) in the running costs of their sub-committees by 1987/88. At the National Institute of Agricultural Botany\* a 20 percent increase over 5 years in the number of varieties tested has been contained by efficiency improvements.

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\*NIAB is not counted as an NDPB. It is an independent charitable trust which, on behalf of MAFF, promotes the improvement of existing varieties of seeds, plants and crops in the UK and aids the introduction or distribution of new varieties.



A.14.2 No change was recommended in any of the 12 advisory bodies reviewed.

A.15 Home Office (£17.5m; 1200 staff)

A.15.1 The Home Office reviewed 6 of its 13 executive bodies (accounting for £14m of public expenditure and employing some 500 staff), 2 of its 131 advisory bodies and 4 of its 11 tribunals.

A.15.2 Two major executive bodies, the Commission for Racial Equality (funding of £9m) and the Equal Opportunities Commission (funding of £3.5m), were reviewed together. The review concluded that the work of both bodies needed to have a sharper focus and to be set in a strategic context. A major weakness identified in both cases was the lack of effective arrangements either for planning and costing work or for monitoring its effectiveness. The review recommended that both bodies should adopt a new annual planning and monitoring framework based on the Home Office Annual Performance Review system. The relevant documents would then be available to the Home Office so that the Department should in future be better able to assess the value for money of its grant. Both Commissions have accepted this recommendation and the new arrangements are being introduced this year. The review of the Gaming Board identified improvements expected to lead to annual savings of almost £100,000.

A.15.3 No change was recommended in the advisory bodies or tribunals reviewed.



A.16 H M Treasury (£8m; 220 staff)

A.16.1 The Treasury has reviewed one of its advisory bodies, the Review Board for Government Contracts, and recommended that a tighter job description should be provided for its secretariat and this function then put out to competitive tender.

A.17 Ministry of Defence (£3m; 1400 staff)

A.17.1 To date the Ministry of Defence have not completed reviews of any of their 6 executive bodies. All of their 43 advisory bodies have been reviewed but no changes have been recommended.

A.18 Inland Revenue (£0.2m; 0 staff)

A.18.1 At the Inland Revenue, reviews of the General Commissioners of Income Tax and the Section 463 Tribunal are being undertaken as an integrated part of the IR's top management system, the SMS.

A.19 Department of Transport (£0.03m; 2800 staff)

A.19.1 The Department of Transport has completed a review of the financial management and accounting arrangements of the General Lighthouse Authorities (who employ of the 2,700 of the 2,800 staff and account for all the expenditure). The majority of the recommendations, made by Arthur Young McLelland Moore, have been implemented and the Authorities have participated in a PES style of budgeting for the current year. The Pilotage Commission is to be abolished by legislation proposed in the coming session.



A.20 Lord Chancellors Department(0 executive bodies)

A.20.1 The Lord Chancellor's Department reviewed the Lands Tribunal and the Pensions Appeal Tribunal. They identified savings of 2 members of staff and approximately £8,000 and also a number of improvements in administrative procedures. All of LCD's 217 advisory bodies will be reviewed during the remainder of 1986.

A.21 Cabinet Office;Management and Personnel Office  
(0 executive bodies)

A.21.1 Four out of their nine advisory bodies have been reviewed by the Cabinet Office and MPO. The remit of the Advisory Committee on Research and Development is to be expanded to cover work previously carried out by the Information Technology Advisory Panel, an ad hoc group which will now be wound up.

A.22 Scottish Courts Administration(0 executive bodies)

A.22.1 The one advisory body and the two tribunals sponsored by the Scottish Courts Administration will all be reviewed during 1986.

A.23 Central Office of Information (0 executive bodies)

A.23.1 The one advisory body sponsored by the Central Office of Information, will be reviewed in 1987.



## ANNEX B

### Value for money improvements

Departments recorded value for money improvements under three headings: improvements in output or performance, targets set, for example for unit costs or increased earnings and 'other improvements'. The main value for money improvements are listed in tables 6, 7 and 8. In these tables, departments are listed in descending order of central funding of NDPB. This is shown in brackets underneath each department.

Entries in the following tables record changes which resulted from the reviews or allied initiatives. There was, of course, considerable variation in the systems already being used by different NDPBs at the start of the cycle as well as in what departments have chosen to report. Thus changes recorded as leading to improved target setting or better value for money in one NDPB may not have been mentioned for another body whose systems were already developed to this stage (or beyond) at the beginning of the review cycle.



Table 6: Improvements in output or performance

Department	NDPB	Improvements in output/performance
DE (£1693m)	ACAS	Diagnostic surveys increased from 167 to 190 from 1984 to 1985; Advisory projects up from 464 to 554; Extended training exercises up 54 to 60; Individual conciliation cases up from 42,723 to 42,887; Collective conciliation cases up 1448 to 1475; Industrial conciliation at same level; some reduction in other work but monthly average staff numbers down from 628 in 1984 to 610.
	MSC	Programme cost/start down for £2,078 to £1,066 on Adult Training Scheme; Starts /staff year up from 76 to 124; Recipients/staff unit up from 158 to 187 on Enterprise Allowance Scheme
DOE (£1248m)	Rent Assessment Panels	Cost per case reduced by 10% since 1979.
DES (£632m)	BTEC	Quicker processing of student registrations and issue of awards has led to better overall credit control in terms of earlier fee income.
	CNAA	Registration fee restructured and reduced: savings not yet quantifiable
DHSS (£163m)	Public Health Lab. Services Board	Workload and productivity increases (since 1979/80 staff down by 6% workload up by 18%);
	Nat. Biol. Standards Board	Increased admin workload of 15 to 20% over last 3 years contained within existing resources
	Med. Practices C'ttee	Increase of 7% in caseload in last 2 years contained within existing resources
	Nat. Dev. Team for Mentally Handicapped	More visits, more enquiries handled, reports more timeous
ODA (£44m)	UK Trade Agency	Increase of over 50% in monthly production of Company Profiles (1984: 43 covering 63 product groups 1985: 65 covering 76 product groups). Fourfold increase in outlets through which trade opportunities are disseminated. Fourfold increase in importer enquiries handled over last few years.



Table 6: continued

Department	NDPB	Other VFM improvements
ODA (contd)	Inst. of Development Studies	Increased revenue from publications and operational and research work. Increased seminar/course participation.
DTI (£26m)	SITPRO	Earned income increased from £57K in 1980/81 (11% of total expenditure) to £318K in 1985/86 (37% of total expenditure). Staff complement up by only 1 since 1980/81 while activity has increased considerably.
	Design Council	Earned income up from £2.09m in 1979/80 (40% of gross expenditure) to £4.3m in 1985/86 (47% of gross expenditure). Staff have been reduced from 340 to 302 while activity has increased considerably.
MAFF (£25m)	National Institute of Agric. Botany	20% increase over 5 years in number of varieties tested contained by efficiency improvements.
Home Office (£18m)	Gaming Board for Great Britain	New procedures, reorganisation of staff and computerisation of casework leading to performing essential work with up to 10 fewer posts. Major changes in organisation of Inspectorate - one regional office closed.



Table 7: Targets Set

Department	NDPB	Targets
DE (£1693)	ACAS	Running costs limits set for 1985/86 to 1988/89
	HSC/E	Recover full production costs on priced publications.
DOE	Housing Corp.	Target deadlines for each internal Corporation objective (eg introduction of computer based schemework systems) set and monitored in corporate plans.
		Average fair rent scheme costs to match Total Indicative Cost Index
		10% accuracy in forecasts of receipts
		Performance measures to be developed to enable comparisons to be made between tenures and constituents of Corp. programme
	New Town DCs and Commission for the New Towns	Financial performance to be monitored by reference to break-even dates, wef 1986/87 accounts.
		Targets to be introduced 1986/87 for capital receipts for asset disposal and for net income from property assets.
	Rent Assessment Panels	Staff-in-post targets set (Reduction from 128 to 120)
DES (£632m)	CNAA	Computer system providing better financial and managerial information to be installed by October 1986.
Scottish Office (£381m)	Scottish Examination Board	Reduction in running costs in specified areas
	Scottish Agric. Colleges	Reduce running costs by radical management reorganisation, to be effective from 1.4.87.
DEn (£200m)	Atomic Energy Authority	Financial target of 5% on CCA capital employed over 1986/87 to 1988/89.
DHSS (£163m)	Pub. Health Lab Services Board	Annual accountability reviews to be introduced in 1986.
		Corporate strategy to be produced by autumn 1986. Internal cash limits to be introduced.



Table 7 : Continued

Department	NDPB	Targets
DHSS (contd)	Nat. Biol. Standards	Forward plan to be drawn up for 1986/9. Report to be made on review of charging policy. Independent survey to be carried out of admin services. Review of estate management systems to be completed next year.
	Eng Nat Board for Nursing etc.	1½% savings on HQ operation (£40 - £45,000)  Introduce performance reviews of Education Advisory groups and programme of cost improvements in basic nurse training funds. Consider use of additional performance indicators for approving institutions and monitoring their output and use of resources.
	Health Ed. Council	Development of management accounting to be used in 1986/87. Review of organisational structure to be completed by July 1986. Move to cost-centre budgeting by 1987/88 Develop job evaluation system with DHSS inspectorate
	Nat. Radiological Protection Board	Annual accountability reviews to be introduced in 1987.
	Ind. Injuries Adv. Council	13% reduction in expenditure targets set for completion of reports.
	Nat Dev Team for Mentally Handicapped	Smaller secretariat, fewer members on visits
DTI (£26m)	SITPRO	SITPRO has set itself annual targets for sales, percentage growth of sales and level of self-funding up to 1987/88. These targets will be reviewed at the end of this year.
	Design Council	Break-even on major commercial activities. Specific targets set for each area of activity in Council's annual management plan (eg improve mail order sales from Design Centre shops by 10% and achieve budgetted surplus



Table 7 : Continued

Department	NDPB	Targets
DTI (contd)	Design Council (contd)	overall of £93,000 before central charges in 1986/87; generate attendances of at least 950,000 at exhibitions; increase advertisement revenue of Engineering Magazine by 10%; achieve paid circulation of £25,000 for Design Selection Magazine.
MAFF (£25m)	Agric Wages C'ttees	Running costs savings of 5% (£600) for sub-committees by 1987/88.
	British Wool Mktg. Board*	Bring forward fixing of the guaranteed price - to be implemented by January 1987.
	Nat. Inst. of Agric. Botany+	Savings of £13,000/year on implementation of computerised systems in 1987/88. Efficiency savings of $\frac{1}{4}$ to $\frac{1}{2}$ % per year in running costs from 1987/88. Increased income of £600,000/yr on statutory work as result of decision to increase recovery rates.
Home Office (£18m)	Gaming Board of Great Britain	Set more realistic fees to ensure that income matches fully the costs of the regulatory system. Targets for each activity and measures of effectiveness and information on costs to be considered within new Annual Performance Review system.

\*BWMB is not listed as an NDPB. It is a producer organisation constituted under the Agricultural Marketing Acts 1931-1958 to promote the marketing of British Wool.

+NIAB is not listed as an NDPB. It is an independent charitable trust which carries out certain functions on behalf of MAFF (see page A10)



Table 8: Other VFM Improvements

Department	NDPB	Other VFM improvements
DE (£1693m)	ACAS	Sub-committee of the Council set up to monitor VFM
	Industrial Training Boards	Better planning in Engineering ITB. Improved control systems in the Engineering and Road Transport ITBs. Increase in revenue earning activities at offshore Petroleum, Hotel and Catering and Clothing ITBs.
	HSC/E	Costing out option in accommodation transfers, leading to savings of £429,000pa for London HQ. Contracting out cleaning and catering. (Savings of £14,000pa from contracting out cleaning)
	MSC	Considerable number of savings resulting from devolved budgeting. For example, a quote of £160,000 for premises work at a skillcentre was reduced to £70,000 through the minor works scheme; £1000pa saved in one office by no longer sending out business reply labels with all application forms - but no appreciable effect on level of returns.
DOE (£1248m)	Housing Corporation	Quantitative measures (eg average unit costs and development times) in 1986 corporate plan. Streamlining and computerising of admin systems. Functional cost analysis of administrative expenditure being developed. Results to be fed into 1987/88 grant-in-aid settlement.
	Commission for the New Towns	Analysis of comparative costs of constituents of programme and information on lettings being developed to improve allocation of resources.
	Property Advisory Group	Improved corporate planning arrangements to be introduced, 1986/87.
		Working arrangements streamlined and use of resources rationalised (eg 2 rather than 6 formal meetings per year): more ad-hoc subgroup work focused on specific remits concerning eg Use Classes Order (Town and Table



Table 8: Other VFM Improvements (contd)

Department	NDPB	Other VFM improvements
DOE (contd)	Property Advisory Group (contd)	Country planning legislation); and Landlord and Tenant business lettings review.
	Rent Assessment Panels	System of benchmarks introduced to achieve greater consistency in staff/ workload ratios between panels. Reduction in Presidential/Vice Presidential input in two panels leading to savings in salaries at TSRB rates. Chairmen's fees for committees reduced by more frequent use of Presidents/Vice Presidents as chairmen.
	Sports Council	Comprehensive monitoring of performance and VFM against objectives and targets on all major activities - should yield results in 1987/88. VFM pursued in 2 major programmes, facilities and participation in 1985/86. Grants policy under review to secure  better targetting. Large reviews planned for 1986/87 cover performance of National Sports Centres (by Sept 86) and targetting of activity in inner city.  Sponsorship action plan for 1986/87 developed, to be rolled forward 1 year every year.
DES (£632m)	BTEC	Streamlining of procedures has reduced course validation work at BTEC and at colleges
	National Youth Bureau	An improved overall Management Committee and structure. More precise objectives and work programmes: staff reorganisation to give tighter structure: new data bank and better quality information for users. In short an improved service without additional funding.
	MRC	Improved purchasing procedures save £400,000 per annum.
	CNAA	Better management accounting information regularly presented to senior staff as basis for target setting. Formal investment strategy. Improved organisation and training of staff.



Table 8: Other VFM Improvements (contd)

Department	NDPB	Other VFM improvements
DES (contd)	CNAA (contd)	Implementation of recommendations in Lindop report expected to lead to reductions in staffing and costs targets for which are to be agreed with CNAA by December 1986. Effectiveness of new validation arrangements to be monitored.
Scottish Office (£381m)	Scottish Tourist Board	Planning arrangements and management structures improved.
	Commission for LA Accounts in Scotland	Improvements in management information for charging to reduce unproductive working.
	New Town DCs	Revised funding arrangements and improvements in planning and control systems.
	Scottish Examination Board	Better forward planning
	Scottish Council for Research in Education	Possibilities identified for improved planning
	Scotvec	Areas identified for contracting out: Better management structures for new body.
	National Board for Nursing etc in Scotland	Improved unit costing and planning procedures: Review of basis for indexing and examination fees.
OAL (£221m)	All major bodies	Review of financing of national museums and galleries and change to grant-in-aid status from 1 April 1986. Corporate or strategic plan for years ahead to be submitted to Dept. Preparation of new financial memoranda attached to grant-in-aid. Rolling programme of staff inspections. Improved internal audit arrangements.
	Arts Council	Review of NMGs' planning, funding and execution of building and maintenance arrangements.
		Review of organisation and management systems.



Table 8: Other VFM Improvements (contd)

Department NDPB	Other VFM improvements
DEn (£200m)	Atomic Energy Authority AEA set up as a trading Fund. Departmental financing now negotiated under Programme Letters which specify what work is required, its objectives, and milestones for measuring performance. Corporate planning has been introduced.
DHSS (£163m)	Public Health Lab Service Board Project costing introduced, full economic charging for products and services. More effective marketing leading to increased income. Options under consideration for cost-sharing arrangements with health authorities and for rationalisation of network of labs.
	Nat Biol Standards Board Progress monitored via annual accountability reviews. Working group set up to examine planning and monitoring systems: performance indicators being considered.
	Eng Nat Board for Nursing etc Annual accountability reviews chaired by Minister. Review of fees and introduction of fees for services to health authorities and private sector.  Performance indicators for training institutions
	Health Education Council Annual accountability reviews introduced and targets set for management and cost-effectiveness. Most recent review chaired by Parly Under-Sec (Health). All costs except overheads allocated to the main programme planning groups. Evaluation built in to campaign planning.
	Medical Practices Committee Improved work procedures stemming from staff inspection. Surveys of FPC classification to be carried out every 3 years instead of annually.
	Nat Dev Team for Mentally Handicapped Tasks and priorities redefined. Performance indicators identified.



Table 8: Other VFM Improvements (contd)

Department	NDPB	Other VFM improvements
DHSS (contd)	Office of President of Soc Sec and Med Appeals Tribunal	Annual account of stewardship and objectives produced and reviewed by DHSS top management.
	Office of Chief Adjudication Officer	as above
	Occupational Pensions Board	Annual Accountability Review introduced.
	Standing Dental Advisory Committee.	Change in work priorities
FCO (£85m)	Foreign Compensation Commission	Recommendation that targets be set for completing the task of the Commission and the Commission then wound up.
Welsh Office (£78m)	Sports Council for Wales	Planning arrangements improved. Better performance measures to be developed.
	Welsh Medical Committee	Better structured annual programme of work to be laid down by Department.
	Welsh Scheme for Development of Health and Social Research	Change in coverage of scheme. Better publicising of activities.
DTI (£26m)	SITPRO	Increased employee productivity as a result of internal management improvements (eg earned income per head up from £2,200 in 1980/81 to £12,350 in 1984/85; invoices handled up from 1514 to 5770)
	Design Council	Improved internal financial management. Leading to improved identification and allocation of costs and thus more effective marketing.
		Break-even achieved on all except one of major commercial activities; tighter control over pricing, expenditure and financial systems. More effective monitoring by Dept via regular quarterly meetings to begin in July 1986. Improved financial planning and resource allocation through a system reflecting PES requirements.



Table 8: Other VFM Improvements(contd)

Department	NDPB	Other VFM improvements
MAFF (£25m)	Sea Fish Industry Authority*	<p>Setting up of corporate planning system including aims, targets and measures of effectiveness. Extension of devolved budgeting. Better management information systems.</p> <p>Application of review techniques (eg cost benefit analysis and investment appraisal) to budget preparation, and production of options. Capital investments to be subject to investment appraisal.</p> <p>Simplification of application procedures for grants and loans.</p> <p>More cost-effective use of manpower.</p> <p>Introduction of competitive tendering procedures in awarding MAFF R &amp; D projects.</p> <p>Post-completion appraisal and monitoring of R&amp;D projects to ensure results are dispersed to industry.</p>
	British Wool Marketing Board*+	<p>Better planning and review systems.</p> <p>Board to submit summary of annual plans to Depts with commentary of previous year plans.</p>
	Nat Inst of Agric Botany+	<p>Formal written statement of Directors terms of reference in relation to statutory work.</p> <p>Restructuring of 5-year development plan: objectives to be set for each programme; performance indicators to be worked out. Plan to be reviewed annually with MAFF and to be dovetailed with MAFF's own planning cycle.</p> <p>Improved systems for budgeting, resource allocation and monitoring.</p>
Home Office (£18m)	Commission for Racial Equality Equal Opportunities	<p>New arrangements to be agreed with Home Office for planning, costing and monitoring of work will be introduced later this year.</p>
	Gaming Board for Great Britain	<p>New planning arrangements: the Home Office will now receive information about the Board's output and performance and the cost of their activities.</p>

\*Subject to finalisation of reports.

+See footnotes on page B6.



Table 8: Other VFM Improvements (contd)

Department	NDPB	Other VFM improvements
HMT (£8m)	Review Board for Government Contracts	Provision of Secretariat to be put out to competitive tender. Secretariat to be given tighter job description.
LCD (£3.8m)	Lands Tribunal and Pensions Appeal Tribunal	Planned integration of support services for PAT and LT will make better use of resources. Revised booking arrangements for tribunals will limit demands for additional court rooms.