

## Guidance

# Public bodies

This page provides background information on public bodies and gives guidance to departments.

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## What is a public body?

A public body is a formally established organisation that is publicly funded to deliver a public or government service, though not as a ministerial department. The term refers to a wide range of public sector entities.

## Classification of public bodies

To allow bodies to fulfil their purpose in a consistent, transparent system that supports government accountability and efficiency, government undertakes three separate types of classification of public bodies.

When the [Office for National Statistics \(ONS\)](https://www.ons.gov.uk/methodology/classificationsandstandards/economicstatistics/classifications/ukeconomicstatisticssectorandtransactionclassificationstheclassificationprocess) economically classifies an organisation as part of the public sector (<https://www.ons.gov.uk/methodology/classificationsandstandards/economicstatistics/classifications/ukeconomicstatisticssectorandtransactionclassificationstheclassificationprocess>) for the purposes of producing national accounts, it is indicatively classified to one of three sub-sectors based on its characteristics. These sub-sectors are central government, local government or public corporations.

If a body is indicatively classified as central government by the ONS, it may be subject to a separate administrative classification by the Cabinet Office.

## Arm's-length bodies

Arm's-length bodies (ALB) are a specific category of central government public bodies that are administratively classified by the Cabinet Office. There are three types of ALB:

- An executive agency (EA) is a clearly designated unit of a central government department. It is administratively distinct, but legally remains a part of it. It focuses on delivering specific outputs within a framework of accountability to ministers. Examples of EAs include [DVLA](https://www.gov.uk/government/organisations/driver-and-vehicle-licensing-agency) (<https://www.gov.uk/government/organisations/driver-and-vehicle-licensing-agency>), [HM Prison and Probation Service](https://www.gov.uk/government/organisations/her-majestys-prison-and-probation-service) (<https://www.gov.uk/government/organisations/her-majestys-prison-and-probation-service>) and the [Met Office](https://www.gov.uk/government/organisations/met-office) (<https://www.gov.uk/government/organisations/met-office>).
- A non-departmental public body (NDPB) is a body which has a role in the processes of national government. It is not a government department but operates at arm's length from ministers. NDPBs have different roles. Some advise ministers while others carry out executive or regulatory functions. They work within a strategic framework set by ministers. Examples of NDPBs include the [British Council](https://www.gov.uk/government/organisations/british-council) (<https://www.gov.uk/government/organisations/british-council>), [Environment Agency](https://www.gov.uk/government/organisations/environment-agency) (<https://www.gov.uk/government/organisations/environment-agency>) and the [Health and Safety Executive](https://www.gov.uk/government/organisations/health-and-safety-executive) (<https://www.gov.uk/government/organisations/health-and-safety-executive>).
- A non-ministerial department (NMD) is a government department in its own right, but does not have its own minister. However, it is accountable to Parliament through its sponsoring ministers. A non-ministerial department is staffed by civil servants and usually has its own estimate

and accounts. Examples of NMDs include the [Food Standards Agency](https://www.gov.uk/government/organisations/food-standards-agency) (<https://www.gov.uk/government/organisations/food-standards-agency>), [HM Revenue & Customs](https://www.gov.uk/government/organisations/hm-revenue-customs) (<https://www.gov.uk/government/organisations/hm-revenue-customs>) and [Ofgem](https://www.gov.uk/government/organisations/ofgem) (<https://www.gov.uk/government/organisations/ofgem>).

[The Public Bodies Handbook: part one \(pdf, 888 kb\)](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/519571/Classification-of-Public_Bodies-Guidance-for-Departments.pdf) ([https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/519571/Classification-of-Public\\_Bodies-Guidance-for-Departments.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/519571/Classification-of-Public_Bodies-Guidance-for-Departments.pdf)) provides further information about the types of public bodies, and how they are classified.

[The Public Bodies Handbook: part two \(pdf, 843 kb\)](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/686716/The_Approvals_Process_for_the_Creation_of_New_Arms-Length_Bodies.pdf) ([https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/686716/The Approvals Process for the Creation of New Arms-Length Bodies.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/686716/The_Approvals_Process_for_the_Creation_of_New_Arms-Length_Bodies.pdf)) sets out the ministerial approval process for the establishment of new arm's length bodies.

[The Public Bodies Handbook: part 2.1](https://www.gov.uk/government/publications/public-bodies-handbook-part-21-setting-up-an-arms-length-body) (<https://www.gov.uk/government/publications/public-bodies-handbook-part-21-setting-up-an-arms-length-body>) provides an overview of how to set up a new arm's length body, through to the first review period.

[Executive agencies: a guide for departments \(pdf, 1,010 kb\)](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/690636/Executive_Agencies_Guidance.PDF) ([https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/690636/Executive\\_Agencies\\_Guidance.PDF](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/690636/Executive_Agencies_Guidance.PDF)) describes the characteristics and structures of executive agencies and provides guidance on the processes for their creation, review, merger and abolition.

## **Public bodies reform programme 2020 to 2025**

The joint HM Treasury and Cabinet Office public bodies reform programme was established in November 2020. Its mission is for accountable, effective and efficient public bodies that are aligned to its five priority workstreams:

1. A new strategy for public bodies.
2. Improved gateways for establishing and reviewing public bodies.
3. Good governance: enhanced departmental sponsorship and boards of public bodies.
4. Data: improved data collection and the use of data to change behaviours.
5. Identifying greater efficiencies.

These workstreams align with the ambitions and commitments of a modernised Civil Service described by the [2021 Declaration on Government Reform](https://www.gov.uk/government/publications/declaration-on-government-reform/declaration-on-government-reform) (<https://www.gov.uk/government/publications/declaration-on-government-reform/declaration-on-government-reform>).

## Reviews

A review of a public body looks at four quadrants of a body's performance, scrutinising its accountability, governance arrangements, efficacy, and efficiency.

Reviews must assure the public, ministers and the sponsoring department's principal accounting officer that a body's function remains useful and necessary. [Tools and guidance for reviews of public bodies were published in April 2022 \(https://www.gov.uk/government/publications/public-bodies-review-programme\)](https://www.gov.uk/government/publications/public-bodies-review-programme).

Reviews must be led by an independent lead reviewer. Cabinet Office holds a lead reviewer pool of candidates for this role. Departments appointing a lead reviewer can [contact the Public Bodies Reform Mailbox](#) to request access to the pool.

A list of public bodies prioritised for review in [2022/23 \(https://www.gov.uk/government/publications/public-bodies-review-programme/list-of-public-bodies-for-review-in-202223\)](https://www.gov.uk/government/publications/public-bodies-review-programme/list-of-public-bodies-for-review-in-202223) and [2023/24 \(https://www.gov.uk/government/publications/public-bodies-review-programme/list-of-public-bodies-for-review-in-202324\)](https://www.gov.uk/government/publications/public-bodies-review-programme/list-of-public-bodies-for-review-in-202324) can be found on gov.uk.

## Public bodies data

The public bodies directory is a data-gathering exercise providing a single, transparent source of top-level administrative and financial data on ALBs.

The most recent publication is [Public Bodies 2020 \(https://www.gov.uk/government/publications/public-bodies-2020\)](https://www.gov.uk/government/publications/public-bodies-2020). Previous editions dating back to 1999 [can be found online \(https://www.gov.uk/government/collections/public-bodies\)](https://www.gov.uk/government/collections/public-bodies). During 2010 and 2011, there was no cross-government collective directory, as departments were responsible for publishing their own reports.

## Sponsorship good practice

Departments should appoint a dedicated partner (or sponsor) for each of its arm's length bodies. It is their responsibility to manage the relationship between the department and the ALB, in line with the principles set out in [the code of good practice \(https://www.gov.uk/government/publications/arms-length-body-sponsorship-code-of-good-practice/arms-length-body-sponsorship-code-of-good-practice\)](https://www.gov.uk/government/publications/arms-length-body-sponsorship-code-of-good-practice/arms-length-body-sponsorship-code-of-good-practice).

## Code of conduct for board members of public bodies

Board members of public bodies must work to the highest personal and professional standards. The [Cabinet Office's code of conduct \(https://www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies\)](https://www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies) clearly and openly sets out the principles and standards which all non-executive board members of UK public bodies are expected to observe.

## Governance

### 12 principles of governance for all public body non-executive directors

Non-executive directors (NEDs) on public bodies should demonstrate the 12 qualities outlined in [12 principles of governance for all public body NEDs \(https://www.gov.uk/government/publications/public-bodies-non-executive-director-principles/12-principles-of-governance-for-all-public-body-neds\)](https://www.gov.uk/government/publications/public-bodies-non-executive-director-principles/12-principles-of-governance-for-all-public-body-neds).

### ALB boards: guidance on reviews and appraisals

Principles and resources to support regular arm's length body board effectiveness reviews and board member appraisals can be accessed on the [ALB boards: guidance on reviews and appraisals page \(https://www.gov.uk/government/publications/arms-length-body-boards-guidance-on-reviews-and-appraisals\)](https://www.gov.uk/government/publications/arms-length-body-boards-guidance-on-reviews-and-appraisals).

### Non-executive director induction events

We support new public body NEDs to understand the unique context of public sector governance and the expectations of the role.

We currently run quarterly NED induction events which are aimed at new appointments to public service within the first six months of their appointment. The Cabinet Office's public bodies team can [provide additional information on these events](#).

## Rules on lobbying and PR for all public bodies

There is a long-standing principle that public bodies must be politically impartial, and must ensure the proper use of public money at all times. All public bodies must comply with the rules on [lobbying, attendance at party conference, advertising, marketing and PR \(https://www.gov.uk/government/publications/public-bodies-review-programme/requirements-for-reviews-of-public-bodies#annex-b-rules-on-lobbying-attendance-at-conference-advertising-marketing-and-pr-for-public-bodies\)](https://www.gov.uk/government/publications/public-bodies-review-programme/requirements-for-reviews-of-public-bodies#annex-b-rules-on-lobbying-attendance-at-conference-advertising-marketing-and-pr-for-public-bodies).

## Closure of public bodies

It may become necessary to close a public body early. The reasons for closure include the body completing its purpose or becoming obsolete.

Any government department considering a closure must first engage with the [Public Bodies team in the Cabinet Office](#), who can provide guidance on the closures process.

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