

## **Department for Environment, Food and Rural Affairs**

### **Consultation on a new independent body for animal health: *A modern governance and funding structure for tackling animal diseases***

#### **Annex 4 - The characteristics of Non Ministerial Departments and Non Departmental Public Bodies**

##### **Non-Ministerial Government Departments (NMDs)**

1. An NMD is part of Central Government but as their name suggests, they are not headed by a Minister.
2. Examples of NMDs include:
  - a. Food Standards Agency;
  - b. Crown Estate;
  - c. HM Revenue and Customs;
3. The purpose of an NMD is to deliver a specific function. For example, the Food Standards Agency is a non-Ministerial Department with UK wide responsibility for food safety.
4. The key characteristics of an NMD are:
  - a. it is headed by an office holder, commissioner or a board that usually has statutory responsibilities;
  - b. it may have links to a Minister in another Department but that Minister is not responsible for the NMD's overall performance or delivery of executive functions. Ministers are ultimately accountable to Parliament;
  - c. staff are civil servants;
  - d. funding is voted directly by Parliament, although NMD can also make charges for its services;
  - e. it is usually responsible for its own accounts;
  - f. can advise Department and Ministers on policy matters;
  - g. It is possible for an NMD to have Executive Agencies.

##### **Non-Departmental Public Bodies (NDPBs)**

5. A Non-Departmental Public Body is not a Government Department or part of one, but carries out its functions to a greater or lesser extent at arm's length from Ministers. NDPBs are led and directed by independent boards (or, occasionally, by a single independent office-holder) but Ministers remain ultimately accountable for the overall performance of the NDPB and for its continued existence.
6. Government funding for NDPBs is authorised and controlled by Parliament and is subject to departmental planning in the spending review process. Most NDPBs are financed by a grant-in-aid. NDPB boards and Chief Executives are under a duty to ensure that all public monies are spent efficiently and effectively.

7. There are various classifications of NDPB but the only one that would be appropriate for an Animal Health Organisation is an Executive NDPB. Executive NDPBs carry out a wide range of executive, commercial, operational and regulatory functions. The purpose of an executive NDPB is to allow a service or function to be carried out at arm's length from Ministers – although usually within a strategic framework set or agreed by Ministers.
8. The typical characteristics of an executive NDPB are:
  - a. it is a national or regional public body
  - b. with its own legal identity. (Executive NDPBs are usually set up by legislation but can also be established by Royal Charter or under the Companies Act)
  - c. it is set up by Ministers and Ministers can (with the approval of Parliament where necessary) wind it up
  - d. it is ultimately accountable to Ministers and, through Ministers, to Parliament
  - e. it is not Crown
  - f. employees are not Civil Servants
  - g. it is led by an independent, governing board comprising a non-executive Chair and non-executive members. The Chair and members are usually appointed by Ministers
  - h. there is a chief executive, appointed by the board, who is responsible for day-to-day management of the NDPB. The chief executive is designated as Accounting Officer for the NDPB