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Quango Reform: The Next Steps

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Quango reform: The next steps?

The Coalition Government elected in 2010 in the UK pursued a programme of quango reform focused on reducing the number and expenditure of arm's length bodies, increasing transparency, improving accountability and maximising efficiency and effectiveness. In this article we revisit Flinders and Skelchers' 2012 article 'Shrinking the quango state: five challenges in reforming quangos' to assess progress to date and consider future challenges. Drawing insights from the UK programme of quango reform, as well as similar developments in Ireland, we identify five new challenges for governments: 'regulating', 'managing', 'reconciling', 'co-ordinating' and 'reflecting'.

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Introduction

Ahead of the 2010 general election significant attention was directed to the issue of 'quango' reform in the UK – a term that refers to bodies or 'agencies' which sit at arm's-length from government and either provide public services, arbitrate or advise the government.¹ Parties from across the political spectrum proposed a radical agenda for reform that would variously shrink the size of the state, reduce budgets, increase efficiency, improve accountability and enhance transparency. The ambition of and consensus for change in this area was clear. Five years on from 2010 it appears that the coalition government have had significant success in inducing reform (Cabinet Office, 2014; Dommett, Flinders, Skelcher and Tonkiss, 2014). The number of public bodies has fallen, financial savings have been made and new measures for transparency and accountability have been introduced. And unlike the 2010 campaign, quango cuts did not feature prominently in the 2015 election campaign debates.

¹ The term quango is utilized here interchangeably with public body and agency – while there is much terminological debate, quangos refer to bodies operating outside of departmental structures.

On this measure it appears that the government has been successful in translating its ambition into practice, but the process has been far from smooth with Minister for the Cabinet Office, Francis Maude arguing '[i]t wasn't easy – it was prosaic, painstaking work but together we saw it though' (Maude, 2014). In 2012 Matthew Flinders and Chris Skelcher picked up on these challenges in this journal, identifying five limitations to the coalition's agenda; citing difficulties in '*mapping*', '*assessing*', '*reconfiguring*', '*saving*' and '*accounting*' (Flinders and Skelcher 2012). In this article we revisit the issue of quango reform to explore the progress that has been made, to map the barriers to reform and to consider issues for the future (within and beyond the UK). Through this process we identify five new challenges captured by the terms '*regulating*', '*managing*', '*reconciling*', '*co-ordinating*' and '*reflecting*'.

Such inquiry is vital because, as Flinders and Skelcher pointed out, quangos remain 'an indispensable part of the state' (2012, p.327). Even the coalition government, who were committed to reducing the number and expenditure of public bodies, have created new organisations including the Office for Budget Responsibility, the National Crime Agency and, perhaps most notably, NHS England – which in 2014 received £95,873,000,000 in funding from the UK Government. Quangos are therefore here to stay and will require ongoing reform and improvement. This point has been made by Francis Maude who asserted that '[o]ften the lot of the reformer is to be asked by people when it's going to end – but it will never end' (2014). From his perspective, the Government:

should always be re-examining how we deliver services because it's always possible to find new and better ways of doing things. All organisations are either getting better or they're getting worse. There's no such thing as an organisation in a steady state – if you think it's in a steady state it's getting worse (Maude, 2014).

It is unclear, however, what issues future reform should address. In considering this question this article examines the UK quango reform agenda, and draws insights from the Irish case where a parallel programme of agency reform has emerged since 2008. Using comparative examples and information from semi-structured interviews with civil servants in London and Dublin, we explore progress to date and, based on these examples, identify five challenges that politicians pursuing quango reform in the UK and elsewhere need to consider.

Success since 2010?

Quango reform is a perennial concern of governments. Pledges to reduce the size and scope of the state – and the waste that is often associated with such agendas – are far from unpopular. Indeed, parties of all colours regularly compete to demonstrate their anti-quango credentials; unveiling new programmes of reform designed to bring about change in this area as part of efficiency and cost-savings measures. Ahead of the 2010 general election this spirit was particularly evident in the UK as the Conservatives, Labour and Liberal Democrats announced plans to scrap public bodies and reform the governance of the state. Once in office the Conservative-Liberal Democrat coalition pursued this agenda under the leadership of Minister for the Cabinet Office, Francis Maude. A governmental review conducted over 5 months identified 904 individual organisations and proposals for reform were swiftly agreed between departmental ministers and the Cabinet Office (Cabinet Office, 2011). This led to a wide ranging programme of reform in which 34% of quangos were scheduled for abolition, merger or reform (Cabinet Office, 2014b), new 'triennial

reviews' were introduced to review bodies' function and governance (Dommett, 2014), and the sponsorship of these bodies was overhauled (Flinders and Tonkiss, 2014). This approach accorded with the rationale that reforms were not about structures but about services, and accordingly focused on increasing efficiency and effectiveness in government (For a more detailed account of the reform programme see: Dommett and Flinders, 2014a; Dommett, Flinders, Skelcher and Tonkiss, 2014).

Five years on from the 2010 general election the success of the reform agenda has been attested in the most recent Public Bodies report published in November 2014 – an annual account of the size of the public bodies landscape (which looks exclusively at one category of quango, Non-Departmental Public Bodies (NDPBs). This report gathers data on UK-wide quangos, as opposed to those within devolved administrations, and hence does not consider bodies which solely relate to Scotland, Wales and Northern Ireland. In this report the Cabinet Office has highlighted a reduction in the number of public bodies by over 285, with more than 185 abolished, and over 165 bodies merged into fewer than 70. As of December 2014 over 95% of planned abolitions and mergers have been completed, progress the National Audit Office had described as 'good' and as evidence of 'significant rationalisation of the public bodies landscape' (Cabinet Office, 2014a, p.4). Financially the reform of public bodies is also reported to be on track to exceed £2.6 billion in cumulative spending reductions by the end of March 2015 (Cabinet Office, 2014a, p.4) with reductions of £2 billion already achieved between 2010 and March 2014. In addition the government has claimed increases in transparency, asserting that 90% or more of NDPBs now make more information such as annual reports, biographies of board members and details of how to make complaints and freedom of information requests publically available on their websites (Cabinet Office, 2014a, p.4). Accountability is also reported to have been improved by moves to bring the functions of over 75 bodies 'closer to democratically elected representatives' (Ibid).

On these measures the reform agenda appears to have been a significant success. And yet from the outset commentators have outlined the limitations of these reforms. An initial assessment made in 2012 by Flinders and Skelcher highlighted five reasons for caution in interpreting the public bodies reform agenda, which are worth recounting. First, at the level of '*mapping*', Flinders and Skelcher emphasized that whilst ambitious in its focus on NDPBs, the coalition government's reform agenda had neglected significant numbers of other 'quangos'. Executive Agencies and other 'off stage' bodies (which possess the characteristics of quangos but are not formally classified as such due to quirks of history) were not considered and hence the scope of reform was limited – raising questions about the extent to which it would produce fundamental change. Second, the 2012 article showed there was inconsistency in '*assessing*' the quango state with departments adopting different approaches in the application and definition of the three tests provided by the Cabinet Office as the basis for assessing quangos future. For this reason it was argued that the 2010 reform agenda did not appear to be rectifying inconsistencies but rather added new ambiguities to the quango landscape. In addition, Flinders and Skelcher highlighted questions concerning the form of change.

Under the third heading of '*reconfiguring*' the authors drew attention to the coalition's emphasis on small, low budget advisory bodies; detailing how 'the vast majority of large and powerful quangos have not been affected' (2012, p.331). As such their article raised questions about the extent of change actually pursued that were linked to the fourth challenge: '*saving*'. Quoting reports from the National Audit Office and Public Administration Select Committee it was argued that the government had failed to grasp the cost of reform, raising questions about the validity of

the claim to achieve £2.6 billion in savings by 2015 (Flinders and Skelcher, 2012, p.332). Finally, the 2012 article raised questions about '*accounting*', probing the extent to which reform would produce the desired improvements in accountability. The authors examined the impact of drawing functions closer to ministers, discussing how transparency and accountability can actually be undermined by such measures by reducing opportunities for external scrutiny. In this initial assessment these challenges led Flinders and Skelcher to argue that 'developments in shrinking the quango state since May 2010 are certainly much more than a barbeque' but that they are 'less than the bonfire hoped for by some' (2012, p.335).

As time has passed it has become clear that Flinders and Skelcher's analysis accurately captured the challenges of effecting reform. Whilst significant progress has been made, concerns about the size, scope and capacity of the quango state remain. Indeed Flinders and Skelcher themselves, in an updated analysis of reforms, have argued that whilst progress has been made the reforms were limited because 'at the level of metagovernance [the Coalition] refused to adopt 'a more strategic approach' and focused instead on 'just one layer (or species) of arm's-length body, without any clear rationale for (a) why similar measures weren't similarly appropriate for other layers, or (b) how the centripetal logic of the 'public bodies reform programme' can be reconciled with the centrifugal logic of reforms in other sectors (most notably, but not exclusively, in the health sector)' (Dommett, Flinders, Skelcher and Tonkiss, 2014, p.141). Elsewhere the Public Administration Select Committee (2014) has levelled similar criticisms, asserting that:

that arm's-length Government is confused and opaque. Organisational forms and names are inconsistent. Most public bodies answer to Ministers but some are directly accountable to Parliament. There is no agreement on how many types of body exist. There are overlaps and blurring between categories. Accountability arrangements and reforms so far have been ad hoc (Public Administration Select Committee, 2014, p.3).

The Institute for Government has voiced similar concerns arguing that whilst there have been some positive steps the fundamental problems evident in the quango landscape in 2010 have not been resolved. In their analysis 'there are at least 11 different types of ALB', a situation that 'leads to confusion about roles and responsibilities between organisations' and creates variation in the relationships between departments and the ALBs that they sponsor that varies considerably in quality (2015, p.1). On this evidence it appears that, notwithstanding the reform successes to date, the problems cited by Flinders and Skelcher continue to be relevant.

Quango reforms in Ireland

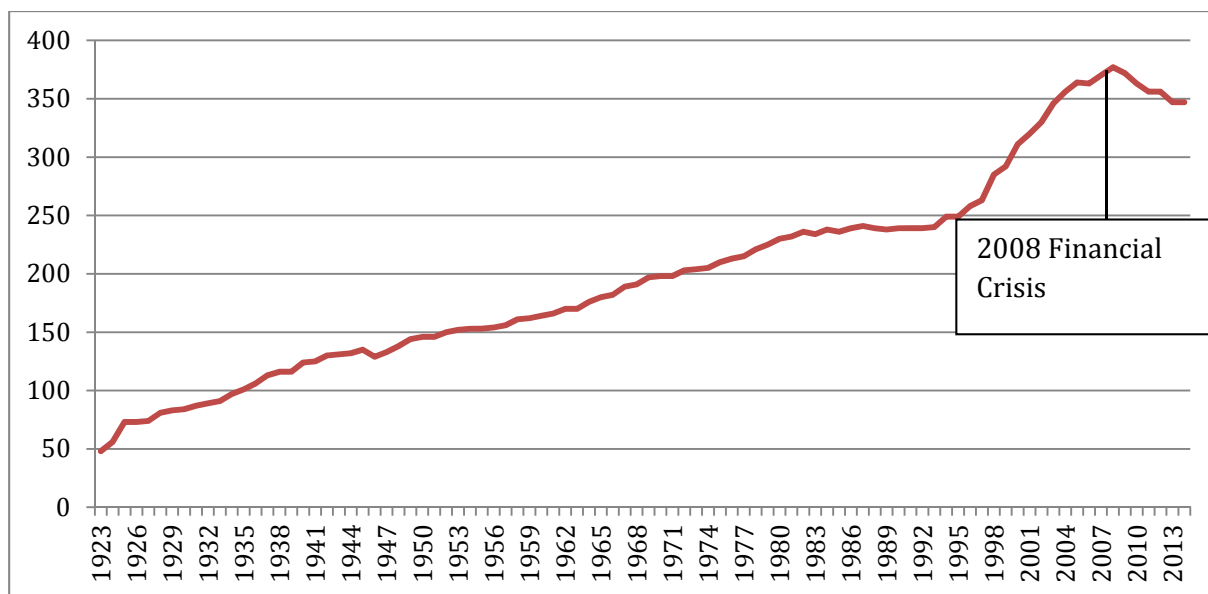
The context of quango reform in Ireland bears similarities to the British case (unsurprisingly, given its similar administrative and legal system), but also some important differences from which lessons may be gleaned. Whilst a long history of anti-quango rhetoric and reform can be traced in the UK (Flinders, Dommett and Tonkiss, 2014) interest in Ireland in this matter is more recent. Indeed, political attention was not directed exclusively to this issue until the Organisation for Economic Co-operation and Development (OECD) (2008) conducted a review into the Irish public service. Their report noted the variety of governance and accountability arrangements Irish quangos were subject to and recommended a 'new governance framework in respect of State agencies' and 'a detailed review of existing agencies to identify opportunities to amalgamate, rationalize and make greater use of shared services' (2008, p.40).

In the wake of the Global Financial Crisis and suddenly faced with an enormous budgetary deficit, quango rationalisation became a financial rather than administrative modernisation issue. The then Fianna Fáil-led government announced plans in an emergency budget in late 2008 to ‘reduce the number of State bodies and agencies by forty-one, and to streamline certain other functions’ (Lenihan, 2008). As per the UK, deciding on what to include in the Irish agency population proved problematic (MacCarthaigh, 2012a). However, adopting a broad definition of agencies (to include, for example, commercial state-owned enterprises), a longitudinal database of Irish agencies estimated a peak of almost 360 agencies was reached in 2008, meaning the initial reduction target was approximately 12% of the agency population. An initial rash of agency terminations and departmental absorptions in 2008 and 2009 – also largely small advisory bodies with minimum budgetary spend – resulted in only 15 of the 41 bodies closing, and with political energies focused in the state’s economic survival, by early 2011 the pace of reform had slowed considerably (MacCarthaigh, 2014a).

Renewed impetus was given to the quango cull by a new coalition government that took office in Ireland in March 2011 with a strong mandate for reform. In a *Public Service Reform Plan* published in November the Minister with responsibility for the new Department of Public Expenditure and Reform (DPER) announced that it was proceeding ‘with the rationalisation of 48 Bodies by the end of 2012 [and nominating] another 46 Bodies for critical review by the end of June 2012’ (DPER, 2011, p.52). The plan attested that the government would ‘further rationalise the number of State Agencies and Departmental bodies to streamline service delivery, increase democratic accountability and secure €20 million in enhanced service efficiencies and value-for-money’ (DPER, 2011, p.9). Additional measures including “sunset clauses” when new bodies are created, annual reviews of the continuing business case for all significant state bodies, and a requirement for robust service level agreements between departments and state bodies were also introduced (DPER, 2011, Appendix II, p.2). These plans were pursued in accordance with a desire to make the agency sector a ‘more efficient and responsive sector in delivering on their service objectives in the coming years’ (DPER, 2014a). Despite this new energy for rationalizations, by late 2012 a review by the Department noted that progress was much slower than expected and only a third of the agencies due for abolition that year would be gone by year-end.

Progress achieved by the Irish government in effecting change has therefore been mixed. Official statistics reveal there has been a reduction in numbers and financial savings with DPER concluding that ‘measures affecting more than 90% of the bodies to be merged or rationalized are completed, and when the remainder are fully completed there will be 181 fewer bodies operating in the Irish Public Service than in 2011 as a result of the measures taken in the programme’ (DPER, 2014b, p.1). And a longitudinal perspective (Figure 1) shows that there has been a year-on-year reduction in the agency population since 2008. However, detailed analysis reveals that beneath these headline figures many of the challenges highlighted by Flinders and Skelcher are evident. These figures obscure the fact that in large part the reduction in numbers was achieved through the reform of sub-national agencies, meaning that the number of national-level agencies with more substantial budgets and remit reformed was modest. They also shield the fact that new agencies continued to be created by the government, showing the ongoing relevance of this form of organisation.

Figure 1: Public Organisations in Ireland (including Ministerial Departments) 1922-2014



Source: Hardiman et al. 2015, www.isad.ie

In addition it is clear that whilst pursuing reform the government's efforts to induce change have been frustrated. Having set a target of €20 million in financial savings, the government report identified actual annual savings of over €15 million to date – a shortfall attributed to 'the simple fact – a feature of the private sector too – that some mergers have upfront costs or at least require time to fully extract efficiencies' (DPER, 2014b, p.2). Many terminated Irish agencies also had small budgets. This indicates that similar questions about savings and reconfiguration are evident in the Irish case, as are concerns over accountability and mapping.

Barriers to reform

The challenges experienced in the UK, aligned with those of the Irish case, make it interesting to consider the nature of the barriers encountered by government officials, and bring two variables to the fore: legislative process and capacity.

Legislative Process

The first challenge concerns the process of effecting reform. As mentioned above, the vast majority of initial reforms pursued in the UK and Ireland were of small advisory or sub-national bodies that can be reformed by ministerial order or through the passage of (usually) simplistic legislative changes. These changes bring about a swift reduction in the number of bodies and are far easier to achieve than change to more legislatively complex organisations, making change of this form attractive to governments

The process of bringing about reform can therefore be frustrated by bodies' legislative foundation. Governments are often required to unpick multiple pieces of legislation in order to close quangos, a process that is resource and time intensive. In the UK intended reforms to the Forestry Commission were frustrated by the legislative complexity of reforming a body that had foundations in numerous pieces of legislation dating back to 1919 (Interview No. 1). Whilst in Ireland one departmental employee reflected that 'there is a big structural barrier to reform as the effort which needs to be expended is huge' (Interview No. 2). In some cases, this has led to efforts to starve agencies of staffing and budget resources – aiming to facilitate closure through

stealth rather than direct action. These structural requirements are seen to have frustrated the process of bringing about change in both countries.

In addition, bodies' legislative foundation raised a second difficulty concerning scrutiny. Both the UK and Irish governments experienced barriers to reform through central oversight procedures. To pursue reform in the UK the Government passed the Public Bodies Act 2011, a piece of enabling legislation under which Orders for specific reforms could be tabled. Orders were subject to an 'enhanced affirmative procedure' that permitted up to 60 days for further consideration of a proposal. For the vast majority of orders laid under the Act limited delays occurred, however, in certain instances changes were substantially delayed by the Parliamentary process, with the Secondary Legislation Scrutiny Committee raising concerns over, amongst other factors, the robustness of the Government's case for individual orders (2011, p.3). The impact of such scrutiny was particularly apparent in the case of the Administrative Justice and Tribunals Council (AJTC). The order for the abolition of this body was first laid in December 2012 but, following numerous critical reports from both Houses of Parliament, the AJTC was not formally abolished until August 19th 2013 (Skelcher, 2015). In Ireland, many of the more substantial Irish agency mergers and absorptions (and particularly those involving organisations with full statutory autonomy) were only realised by means of bespoke pieces of legislation which were developed seriatim. The development and parliamentary progress of the legislation added further to delays, hindering departmental efforts to effect reform.

Capacity

In addition to the problems derived from process these cases also show challenges arising from a lack of capacity to implement decisions. In both the UK and Irish cases reforms have proceeded at a time of austerity, being implemented alongside wider programmes of civil service reform and retrenchment. In the UK context there are indications that this has limited the capacity of departments to implement new processes (for example in relation to triennial reviews (Dommett, 2014)) as resources and staff capacity have been lacking (Interview No. 3; No, 4). The pressure of fiscal retrenchment is also keenly apparent in the Irish case where departmental budgets have been cut by as much as 40% in some cases, and DPER has relied on already hard-pressed Departments to engage in difficult agency termination strategies for which they had little resource. This has placed pressure on departments and has limited their capacity to implement change. In part these challenges derive from a freeze on recruitment within departments from 2008, but in the main they stem from a reduction in the number of staff within departments and agencies. In one high profile department the number of staff was reduced from around 800 to 525 and yet new responsibilities were added – meaning that departmental capacity to pursue change was stretched. In practice this has created difficulties implementing and enforcing the new requirements outlined by DPER – a point recognized by DPER officials who reported 'you can issue all the guidance you want but there is no point if it isn't implemented fully' (Interview No.5).

The issue of capacity is also keenly evident in relation to the oversight of agency reform. In the UK the Cabinet Office expanded the public bodies team to oversee the reform process (Dommett and Flinders, 2014b), but in Ireland central provision was provided by officials who were also charged with other major responsibilities. The lack of central capacity limited the ability of the Irish Government to oversee reform to ensure that progress was made and that new practices were implemented in a uniform manner. In relation to guidance for setting up new bodies, for example, despite a clear pledge to implement sunset clauses made by central government,

officials have not been able to enforce the implementation of this practice in departments, resulting in lack of uniformity in the application of this ideal.

These indicators suggest that bringing about change is by no means simple and that efforts to reform quangos are likely to be frustrated by the complexities of the political system. Against this backdrop it is interesting to consider the form ongoing change in this area may take and the new challenges that are likely to be encountered. We argue that while substantial reform progress has been made which address the five challenges Flinders and Skelcher suggested for a programme of rationalisation aimed at reducing the number and cost of quangos, the future evolution of quango reform should be informed by a new set of priority challenges. We explore each of these under the headings '*regulating*', '*managing*', '*reconciling*', '*co-ordinating*' and '*reflecting*' (see Table 1, below).

Five Future Challenges for Quango Reform:

Regulating

The 'terra incognita' of the quango landscape identified by Flinders and Skelcher in their 2012 article and also evident in Ireland pre-reform (MacCarthaigh, 2012b) has been (partially) tackled by the process of 'mapping' that occurred in both countries and steps have been taken in both contexts to control agency establishment and monitor performance. In the UK and in Ireland departments need to present a robust business case when proposing to establish new agencies (DPER, 2014b; Cabinet Office, 2012), a requirement that has limited the number of new bodies created. In addition both countries have established processes for more regular periodic review with the implementation of Triennial Reviews in the UK and more routine performance/service-level agreements between agencies and their parent departments in Ireland.

Such developments indicate fundamental change that is likely to have positive long-term implications for the regulation of agency numbers and functions. However, there are notable limitations to the current approach adopted in the UK that have wider relevance for countries conducting quango reform. Whilst NDPBs are now subject to greater regulation, there are a raft of new bodies such as mutuals and charities that deliver functions previously performed by public bodies but are not subject to the above regulatory processes. This indicates room for potential inconsistency in regulating the arm's-length state as new models of service delivery are introduced. It also poses challenges in terms of resource, with interviewees expressing doubt as to whether departments are 'sufficiently resourced to support the ministers in decision making' even before the latest round of departmental cuts (Interview No. 6).

Managing

A more regulated agency environment implies that more consistent and meaningful management or 'sponsorship' of agencies will be required by parent department and central authorities. Already in the UK case, there have been progressive steps taken to recognize agency sponsorship as a distinctive skill with the suite of civil service competencies (Cabinet Office, 2014; Flinders and Tonkiss, 2015). This goes some way in resolving the tension between parent departments and agencies identified by the Institute of Government (2012). Yet, to ensure the efficient and effective management of agencies such practices will need to be embraced by departments and deployed in a manner that balances central control and agency autonomy to ensure that agencies are able to carry out their statutory duties.

Reconciling

The rhetoric of ‘bonfires’, ‘culls’ and ‘quangocide’ has not served agencies or their departments well. The portrayal of agencies as unnecessary or undesirable appendages to an otherwise rational central administration undermines the role and extension of state capacity they offer. In a similar vein, the plea for uniformity in how quangos are governed and held to account across government fails to appreciate that there are benefits to diversity and flexibility in agency governance.

The global financial crisis has resulted in tensions between political executives and administrative systems as the former have sought to reduce the cost and size of the latter, with considerable changes to the public service ‘bargain’ (Lodge and Hood, 2011). In pursuing further agency reform, a process of reconciliation between political and administrative actors is required that re-establishes a sense of common purpose and recognizes the vital role of agencies in delivering public services. This approach appears to be emerging in the UK where the notion of a ‘partnership’ (Maude, 2014) between agencies, departments and central government is seen to be key to future reform, but it is an approach that has wider relevance beyond this immediate context.

Co-ordinating

The process of administrative landscape clearing that formed part of the justification for agency rationalisation strategies post 2008 has resulted in a smaller but more diverse range of public service organisations. In many cases, hybrid and multi-functional organisations now exist arising from mergers of previously separate entities under the aegis of different departments. As part of cost reduction strategies, there has also been an increase in the use of stand-alone ‘shared service centres’ which perform back-office and corporate processing functions previously performed by multiple agencies simultaneously (Elston, 2014; MacCarthaigh 2014b.).

Traditional co-ordination challenges such as those between CEOs, boards, sponsoring departments and Ministers remain. In the post-rationalisation environment, however, new co-ordination challenges have emerged:

- Between agencies, parent departments and shared service centres
- Between departments who share responsibility for hybrid or multi-functional agencies

In some respects, therefore, the process of agency rationalisation has led to a more complex environment, with increased number of actors and veto points. Ensuring coordination across these actors will therefore be necessary as part of any future reform agenda.

Reflecting

Finally, the considerable energy and resource that has been committed to the agency rationalisation process over the last number of years deserves reflection. Engaging in what has effectively been a ‘stock-take’ of agencies has yielded important information about the scope and form of state activities, and how savings could be made with minimal impact to services. The process of ‘stretching’ public organisations to achieve more with less and to engage in mergers or termination has also demonstrated considerable capacity to adapt to changed political and economic circumstances. While senior managers in agencies might have learned much about managing organisations in turbulent times, there is scope for central government to capture

learning from the system-wide overhaul that has occurred. As such future reform needs to be underpinned by a process of reflection that allows lessons to be learnt from previous processes of reform. This reflection should be conducted outside the heat and political short-sightedness surrounding general election campaigns, and feed into training and development resources to mitigate the effects of staff turnover and consequent loss of institutional memory.

Table 1: Five new challenges for quango reform

	Challenge	Recent Developments	Ongoing Relevance
1	Regulating	New processes of regulation and review created to maintain reform momentum	Need to maintain regulation of existing and new bodies and expand regulation to include bodies at arm's-length beyond official statistics
2	Managing	New focus on the sponsorship of agencies	Need to entrench new management practices and be sure to balance autonomy and control
3	Reconciling	Reforms have divided administrative and political actors	Need to foster a new partnership approach that recognizes the value of agencies and creates a sense of common purpose
4	Co-ordinating	Greater diversity in the type and governance of arm's-length bodies due to agency reform and wider process of government rationalisation	Need to coordinate activity across new boundaries and between different types of organisation
5	Reflecting	Significant reform effected at great speed	Need to learn lessons and reflect on the impact of reforms of the arm's-length landscape as a whole

Conclusions

In considering the future of public bodies reform it therefore appears, as Francis Maude argued, that reform will never end. Having achieved significant progress since 2010 the UK nevertheless faces a range of ongoing challenges that arise from the continued diversity of the public bodies landscape. There are indications that the current UK Government is committed to driving forward reform in this area in calls for a review of quango classification (Cabinet Office, 2014d), for 'more strategic relationships between public bodies and departments' and for a 'strengthened review programme for public bodies' (Cabinet Office, 2014c). Yet, as analysis of the UK and Irish cases show, delivering such objectives is by no means simple as difficulties arising from legislative process and capacity can intercede to frustrate the ambition of reform. In considering the future of quango reform it therefore appears that numerous challenges will be encountered and will have to be overcome. Building on Flinders and Skelcher's analysis we suggest five such challenges best captured by the headings '*regulating*', '*managing*', '*reconciling*', '*co-ordinating*' and '*reflecting*' that should inform future reform of the quango state.

Looking beyond the UK it is clear that these challenges have relevance for other non-Whitehall administrative systems. Post-crisis governments around the world are faced with financial constraints that continue to inspire programmes of reform and rationalisation, and yet politicians

possess limited political capital with which to launch high profile programmes of reform such as that evident in the UK in 2010. Such states need to develop new mechanisms that embed principles of reform within government departments and agencies. We propose that processes of *regulating, managing, reconciling, co-ordinating* and *reflecting* can assist governments seeking to effect ongoing change. For this reason governments around the world can draw insight from the UK and Irish cases in designing and implementing future programmes of quango reform.

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