Department of Finance
An Roinn Airgeadais
www.finance-ni.gov.uk

ARM'S LENGTH BODIES (ALBS)

Definition

An ALB is a public sector organisation that is operationally independent from a NI Department and operates under a framework of sponsorship, governance, accountability or statutory oversight.

In practice this sits within the wider **public sector structure** which includes:

Public Sector

Core Central Government

- *Ministerial Government Departments*
    i. *Core Departments*
    ii. *Executive Agencies*
- *Non-Ministerial Government Departments*

Arm's Length Bodies

- *Non-Departmental Public Bodies*
- *Public Corporations*
- *North/South Bodies*
- *Advisory and Expert Bodies*

Independent Public Bodies

- *Statutory Office Holders / Commissioners*
- *Tribunals and Judicial Bodies*
- *Other Independent Bodies*

Other Public Bodies

Local Government

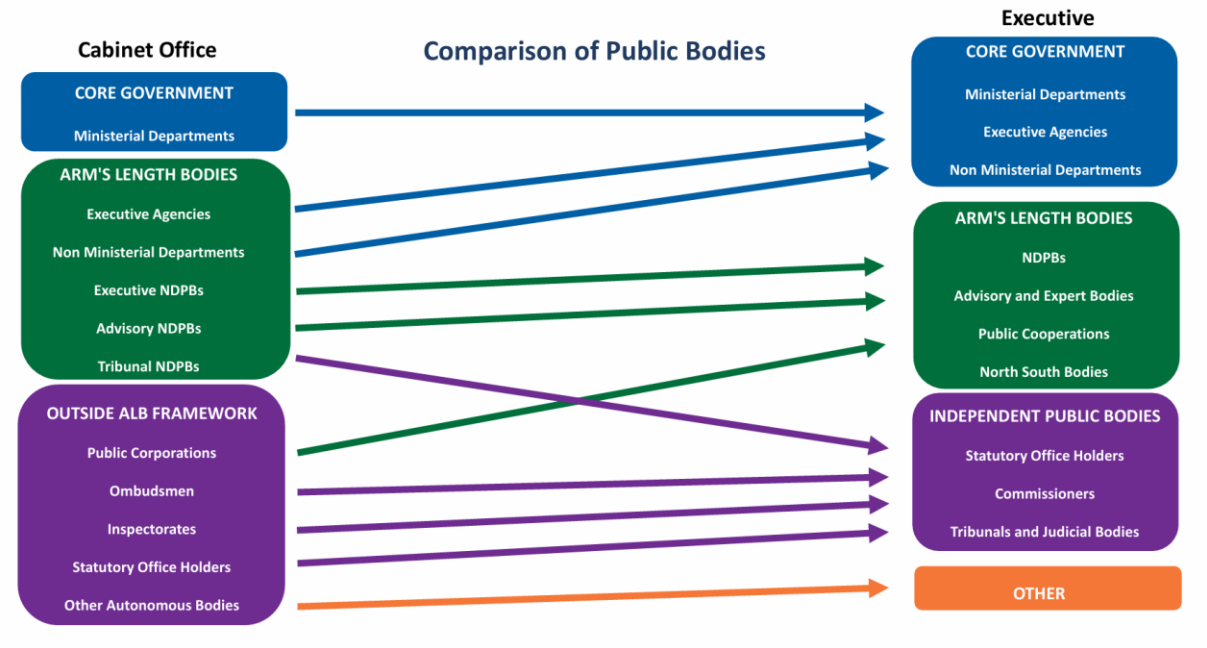
Outside Public Sector

Other bodies outside Public Sector with links to central government

- *Autonomous organisations that may be funded by central government*

Cabinet Office guidance[12] defines ALBs as a specific category of public body and includes Executive Agencies, Non Departmental Public Bodies, and Non Ministerial Departments. The local framework adopts a broader concept of arm's length bodies to reflect the relationships between departments and other public bodies.

The differences are illustrated below:



[1] Public Bodies Handbook – Part 1. Classification Of Public Bodies: Guidance for Departments

Public sector body descriptions

The structure and associated descriptions below relate solely to central government. Similar bodies may exist with links to local government, however these are outside the scope of this exercise.

Structure	Body type	Description Overview
Core Central Government	Executive Agency	Executive Agencies are clearly designated (and financially viable) business units within departments which are responsible for undertaking the executive functions of that department, as distinct from giving policy advice. They have a clear focus on delivering specified outputs within a framework of accountability to Ministers. While they are managerially separately, they are independently accountable within their home department and also report to the Executive and the Assembly on their agency-specific targets. Due to this close working relationship, Executive Agencies are part of their department, and do not have the same level of legal separation from their home departments that other categories of public bodies often possess.
Core Central Government	Non-Ministerial Department (NMD)	NMDs operate similarly to normal government Departments, although usually they are more specialised and not as wide ranging in the policy areas they cover. They generally cover matters for which direct political oversight is judged unnecessary or inappropriate.
Arm's Length Body	Non-Departmental Public Body (NDPB)	NDPBs have a role in the process of government but are not part of a government department. They operate at arm's length from ministers, though a minister will be responsible to the Executive and Assembly for the NDPBs.
Arm's Length Body	Public Corporations	A body will be classified as a public corporation where it is classified as a market body – a body that derives more than 50 per cent of its production cost from the sale of goods or services at economically significant prices (that is, prices that have a substantial influence on the amounts of products that producers are willing to supply and on the amounts of products that purchasers wish to acquire) for all or most of the goods and services they produce. Some charge for regulatory activities, where these provide a significant benefit to the person paying the fee. A public corporation may be controlled by central government, local government or other public corporations; and it has substantial day to day operating independence so that it should be seen as an institutional unit separate from its parent department. This mainly covers trading bodies, that either operate commercially or recover some or all of their costs from fees charged to

Structure	Body type	Description Overview
		customers. This category of sectoral classification normally only applies where 50 per cent or more of costs are met from such outside income.
Arm's Length Body	North/South Body	A "North South body" is a cross-border institution established under the Good Friday Agreement (Belfast Agreement) to foster cooperation between the North and the South on matters of mutual interest, such as trade, language, environment, and waterways, working under the direction of the North/South Ministerial Council (NSMC).
Arm's Length Body	Advisory and Expert Bodies	These are usually non-statutory groups, providing independent expert advice on key issues from within the department. Like many NDPBs, Advisory and Expert Bodies may comprise of external (non-civil service) specialists that form committees to advise ministers on particular policy areas. They are often funded from within a department budget, administrated and resourced by civil servants from within the department. It is important to note that they and the advice they provide are still politically and operationally independent, and they may not be subject to the same levels of review or scrutiny that NDPBs require.
Independent Public Body	Statutory Office Holder or Commissioner	A statutory office or commissioner is a position established under legislation and sometimes as a separate legal entity or corporation sole, with a specific remit to conduct activities or deliver services within the public sector but which is an individual and not an organisation. The statutory office or commissioner is a position held by one person, though the office may be provided powers to request additional resources if required or to employ staff.
Independent Public Body	Tribunals and Judicial Bodies	A tribunal or judicial body is an independent decision-making body established by law to exercise judicial functions such as determining disputes, appeals, or legal issues, rather than to develop policy or deliver public services. Tribunals typically specialise in particular subject areas, such as employment, social security, mental health, planning, or pensions, and provide a less formal alternative to the courts. Judicial bodies include courts and tribunals whose members act independently of government and make decisions based on the law and evidence presented.
Independent Public Body	Other Independent Bodies	Other Independent Bodies, such as Monitoring Boards or Inspectorates, may be created to serve a specific purpose. These bodies are distinct from Advisory or Expert Bodies in that they do not offer advice or expert opinions to a central government Minister or department,

Structure	Body type	Description Overview
		and as such are considered to not operate at arm's length.
Other Public Bodies		There are a number of Public Bodies that do not fall within the categories mentioned above. There are a number of UKG ALBs that have specific links to central government in NI for example through funding arrangements. Bodies within this category therefore are clearly within the Public Sector, but are not considered an ALB of an NI department nor an independent body.
Outside Public Sector		Autonomous organisations that may be funded by central government but are not defined as a Public Body. Examples may include Universities, or charitable organisations established by or which have a direct link to central government. Any list provided under this section is not intended to be exhaustive. Rather, it is included for illustrative purposes to offer clarify on bodies that are often mistaken as within the Public Sector.