

The new Conservative - Liberal Democrat Government coalition recently announced an emergency budget to fight the financial woes that Britain is currently facing. One significant element of their austere approach was to effectively wage war on publically funded quangos in a bid to eliminate unnecessary spending and re-establish public faith in the Governments' ability to financially manage the country. A quango, for those unfamiliar with the term, is a quasi nongovernmental organisation; an organisation that is financed by the government yet acts independently of the government.

The Olympic Delivery Authority fits neatly into the definition of *quango* and, as such, is a potential target for budgetary cuts. The critical question is whether the ODA can justify its role, or whether the British public and Government view their salaries and spending as unjustifiable (or at least less than crucial) in today's trying economic times.

Quintessentially Quango: Top Earners

The British Government recently published names and salaries of the 158 quango employees operating in Britain who earn more than the Prime Minister, David Cameron. David Higgins, the Chief Executive of the Olympic Delivery Authority, was clearly identified as a top earner whose salary stands at between £390,000 and £394,999 a year. He was not the only Olympic quango employee to earn more than Cameron; in fact, 14 other Olympic chiefs also topped the PM's salary.



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- Howard Shiplee, the Director of Construction, earns between £285,000 and £289,999.
- Godric Smith, Head of Communications, earns just short of £200,000 (£405,000 in 2008 if his £205,000 bonus is taken into account).
- Dennis Hone, ODA Director of Finance and Corporate Services - up to £269,999;
- John Armitt, Chairman - up to £254,999;
- Simon Wright, Director of Infrastructure and Utilities - up to £229,999;
- Alison Nimmo, Director of Design and Regeneration - up to £229,999;
- Hugh Sumner, Director of Transport - up to £229,999;
- Ralph Luck, Director of Property - up to £209,999.
- Andrew Altman, Chief Executive of the Olympic Park Legacy Company: £200,000

Questions have been raised as to whether it is a good use of resources to pay such grand salaries when the Olympic budget is itself under pressure. It remains to be seen whether the British Government view these high Olympic salaries as a vital cog in the machinery that will bring an incredible, important and highly lucrative Olympic spectacle to our shores, or whether the salaries are really just too unrealistic to maintain.

START THE DISCUSSION

- What justifications were given to explain the high salaries of the Olympics CEO and his colleagues?
- Do you think that it is fair that the Olympic heads are paid more than the Prime Minister? Consider the potential for the Olympics to generate revenue in your answer.
- Identify other British quangos and assess their value to the industry and sector in which they operate.
- Stay informed about the British coalition Governments' decisions about which quangos should be scrutinised.

FIND OUT MORE

Who's In Charge? The Local Government Quango Report Card.

<http://www.lga.gov.uk/lga/aio/5592215>

Bertelli, A. (2006). **The Role of Political Ideology in the Structural Design of New Governance Agencies.** Public Administration Review. Vol. 66, 4.

CREDITS

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