

CABINET OFFICE CIRCULAR

CO (99) 12

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GUIDANCE FOR MEMBERS OF STATUTORY, COMMERCIAL AND OTHER BODIES APPOINTED BY THE CROWN

INTRODUCTION

- 1 The Crown appoints members to some 400 bodies performing a wide variety of roles and functions, ranging from small policy agencies to large organisations with substantial regulatory powers. Individuals appointed to these bodies may be experienced directors or novice members with little or no experience with the public sector environment or corporate governance issues. Cabinet has agreed to comprehensive information being given to new appointees upon appointment. Letters of appointment for Crown appointees should follow prescribed guidelines and be supplemented with additional material appropriate to the appointee.
- 2 This circular replaces CO (97) 10. It provides guidelines on letters of appointment to appointees to Crown bodies except for Crown companies¹, and suggests possible additional guidance material to be provided to appointees and related information.
- 3 Please ensure that this circular is made available to all staff involved in Crown appointments to statutory and other bodies. This circular will be annexed to *Board Appointment and Induction Guidelines* issued by the State Services Commission in August 1999. It should be read as part of those guidelines and in conjunction with *Government Appointments: Guidance for Preparing Papers for the Cabinet Strategy Subcommittee on Appointments and Honours*

¹ Please refer to the Crown Company Monitoring Advisory Unit's guidance on appointment and induction for Crown company directors.

and Cabinet, and Consultation Requirements, CO (99) 10 and Classification and Remuneration of Statutory and Other Bodies Appointed by the Crown, CO (99) 11.

- 4 Ministers should ensure that this circular and the SSC board appointment guidelines referred to in paragraph 3 (including annexures) are made available to existing Chairs, and new Chairs on appointment, of the Crown bodies within their portfolios.

LETTERS OF APPOINTMENT

- 5 All appointees to Crown bodies must receive a letter of appointment. The letter should be drafted by those responsible for running the appointment process and approved and signed by the appointing authority.
- 6 Information that should be contained in the letter includes:
 - a the designation of the position;
 - b the position description;
 - c the proper name of the board or office;
 - d the authority under which the appointment is made;
 - e the term of the appointment;
 - f termination procedures;
 - g legislation relevant to the board or office;
 - h training and development opportunities;
 - i the name of a contact person for further information;
 - j fees and allowances relating to the appointment.
- 7 The appointee must be requested to accept, in writing, the terms of the appointment, including confirmation of any conflicts of interest identified and mechanisms put in place to manage those conflicts. Appointees should be asked to enter into confidentiality agreements where appropriate.

ADDITIONAL GUIDANCE MATERIAL

- 8 The appointing authority may wish to provide further information to the appointee, suitable for the type of experience the person possesses and the position they have been appointed to. This could include information such as that provided in the *Board Appointment and Induction Guidelines – Conflicts of Interest (Annex Two)* and *Duties of Board Members (Annex Three)*. General information on governance and the nature of the wider State sector may also be helpful.
- 9 Departments and Ministers' offices may find it desirable to record the information sent to appointees, as this could become important in the event of any future dispute as to the extent or adequacy of a person's briefing on appointment.

INFORMATION SUPPLIED BY THE BOARD

- 10 Further information will be provided to new board members by the chair of the board, as it is the role of the chair to induct members into the board's specific environment. This additional information may include the composition of the body and its procedures (sub-committees, workload and time demands, governance and management issues), responsibilities to the chair and to board colleagues, and relationships with the responsible Minister and Parliament.

Marie Shroff
Secretary of the Cabinet