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Convener  
Rural Affairs, Environment and  
Climate Change Committee  
Scottish Parliament  
Edinburgh, EH99 1SP

Friday 18 October 2013

Dear Convener

Following the Rural Affairs, Climate Change and Environment Committee session held on Wednesday 11 September 2013, please find below further detail on

- How and where the position of Scottish Commissioner was advertised;
- The Crown Estate's criteria for investment; and
- The property value of Fort Kinnaird

#### **Appointment of the Scottish Commissioner**

All Board appointments are managed in accordance with the requirements set out in guidance issued by the Office for the Commission for Public Appointments. Further detail of the procedure for Board appointments can be found in Appendices 1 and 2 below.

Regarding the appointment of Gareth Baird as Scottish Commissioner in 2009, the advertisement for the position appeared in the public section of The Sunday Times, The Scotsman, Scotland on Sunday, The Herald, and the Press and Journal during the week commencing 22 March 2009.

The advertisement also appeared on the following websites: The Crown Estate; Odgers Ray & Berndston; Cabinet Office - Public Appointments; and the media outlets listed above.

In 2013, in accordance with the current procedure (outlined in Appendix 2), the Chairman recommended to Treasury that Gareth Baird be reappointed as Scottish Commissioner. This recommendation was supported by a range of stakeholders.

All appointments and re-appointments are subject to a consultation process carried out by Treasury. For the Scottish Commissioner post, this includes the Scotland Office which, in line with the Scotland Act 2012, consults with Scottish Government. The Chancellor, Cabinet Office, and the Prime Minister's Office are also consulted.

#### **Investment criteria**

The Crown Estate's investment strategy concentrates on its key sectors where it retains critical mass and specialist expertise. These are the rural & coastal portfolio, offshore renewable energy, central London and prime regional retail.

The Crown Estate cannot borrow and we therefore rely on capital market activity (e.g. trading non-core assets) and partnership arrangements to provide working capital for the business.

We take a measured approach to the overall risk / return relationship and have a relatively low risk appetite when it comes to development activity (less than 10% of the portfolio).

In regards to Scotland, capital investment in 2012/13 was £9.6 million, up 9% on the previous year. Over the last three years, capital investment was £25.8 million, capital receipts £14.5 million

Recent capital investments include £375,000 in the Glenlivet mountain bike project. We have also committed £380,000 to Comann na Mara's marine leisure project at Lochmaddy on North Uist.

### **Fort Kinnaird**

The Committee asked why the Scotland Report did not provide a disaggregated valuation figure for Fort Kinnaird retail centre. Fort Kinnaird is held in an English Limited Partnership together with two properties in England. The ownership is therefore grouped together with the other properties and it is that aggregate which forms The Crown Estate's investment.

To operate in a commercial environment, The Crown Estate must maintain the commercial confidentiality of valuations of individual assets. To release valuation figures of an individual asset into the public domain would prejudice our ability to deal with such an asset in the market place.

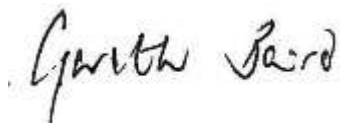
Further, as Fort Kinnaird is held in a joint venture (with the other two properties) with another commercial party, releasing the valuation would also affect their ability to deal with their interest.

I therefore regret that we cannot provide a disaggregated figure for the single asset. However, I can confirm that the net value of The Crown Estate's investment in the joint venture which holds Fort Kinnaird (plus the two properties in England) is £125.7 million.

We hope that the information above is helpful to members and look forward to working with the Committee going forward. I would also like to take this opportunity to reiterate our open invitation to MSPs and to the clerk and research teams to visit any Crown Estate sites to learn more about our work in Scotland.

If we can be of further assistance, please do not hesitate to contact myself (details above) or Esther Black at [esther.black@thecrownestate.co.uk](mailto:esther.black@thecrownestate.co.uk)

Yours sincerely



Gareth Baird  
**Scottish Commissioner**

## Appendix 1: Guidance on Board Appointments (2005 – July 2012)

This Guidance note provides information relating to the appointment of Board Members at The Crown Estate and covers the following appointments:

- The Chairman of The Crown Estate
- Non Executive Board Members
- The Chief Executive
- The Senior Independent Board Member
- The appointments of Chairman and members to Committees of the Main Board
- Other Board Advisers

### 1. The appointment of Chairman and Non Executive Board Members of The Crown Estate (excluding the appointment of the Chief Executive)

- 1.1. HM Treasury are responsible for chairing the selection panel for the nomination for the appointment of The Chairman of The Crown Estate.
- 1.2. The Chairman of The Crown Estate is responsible for chairing the selection panel for the nomination for the appointment of Non Executive Board Members of The Crown Estate.
- 1.3. The position of Chairman and Non Executive Board Members) of The Crown Estate have been determined by the Cabinet Office as a “public appointments” and therefore the recruitment and appointment to these positions is subject to the provisions as set out by the Office of the Commission for Public Appointments (OCPA)<sup>1</sup> for public appointments.
- 1.4. Public appointments are managed by a Selection Panel. In the Case of the Chairman’s appointment, the panel members are as follows:

<b>Chairman</b>	Permanent Secretary HM Treasury or nominated representative
<b>Crown Estate Representatives</b>	Senior Independent Director Chief Executive
<b>Independent Member</b>	This appointment is a requirement of OPCA. The independent member should be drawn from a list of accredited OPCA members <sup>2</sup> .  In addition, The Chairman of the selection panel may also elect to appoint a second independent member, typically drawn from industry. The requirement for this appointment should be confirmed with the Chairman at the outset of the recruitment exercise.

- 1.5. The selection panel for Non Executive Board Members comprises:

<b>Chairman</b>	Chairman of the Crown Estate
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<sup>1</sup> This guidance was issued in 2005 and reviewed in 2009.

<sup>2</sup> Under the current OPCA arrangements, The Crown Estate, like other public bodies, is assigned on request, an OPCA Independent Member.

<b>Principle Stakeholder representative</b>	Permanent Secretary HM Treasury or nominated representative <sup>3</sup>
<b>Crown Estate Representatives</b>	Non Executive Board member as nominated by the Chairman of Selection panel <sup>4</sup>  Chief Executive
<b>Independent Member</b>	This appointment is a requirement of OPCA. The independent member should be drawn from a list of accredited OCPA members.
<b>Other members</b>	In addition, The Chairman of the selection panel may also elect to appoint an additional member, and this should be confirmed at the outset of the interview process.

- 1.6. The Selection panel for public appointments is supported by a Secretary, normally the Head of HR for The Crown Estate, whose responsibilities are set out at Annex \*\*.

#### 1.7. Meetings of the Selection Panel

- 1.7.1. There are normally four meetings of the selection panel for each appointment. These are to consider the following<sup>5</sup>:

<b>Meeting 1</b>	<b>The panel meet to agree</b> <ul style="list-style-type: none"><li>- The appointment of Executive Search Consultants</li><li>- The candidate specification for the appointment</li><li>- The draft advertisement and placement arrangements</li><li>- Information to be provided to candidates</li><li>- The application process and documentation</li></ul>
<b>Meeting 2</b>	The panel meet to agree <ul style="list-style-type: none"><li>- Candidates to be "long-listed" for the appointment</li></ul>
<b>Meeting 3</b>	The panel meet to agree <ul style="list-style-type: none"><li>- Candidates to be shortlisted for the appointment</li><li>- Questions to be asked at interview</li></ul>
<b>Meeting 4</b>	The panel interview candidates

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<sup>3</sup> For Non Executive Board Appointment, HM Treasury representative is normally the Treasury Officer of Accounts.

<sup>4</sup> The nominated Non Executive Board Member will typically be selected on the basis of their knowledge and experience in a relevant field.

<sup>5</sup> The Secretary to the panel has a number of responsibilities which precede the meeting of the first panel meeting and subsequent panel meetings.

## 1.8. Appointment Process

1.8.1. Following interviews, the Secretary to the selection panel is responsible for preparing, on behalf of the Chairman of the selection panel, the panel's recommendations for the appointment.

1.8.2. In the case of the Chairman's appointment the recommendation is first made to the Chancellor of the Exchequer; in the case of Non Executive Board Members, the recommendation is first made to the Permanent Secretary HM Treasury<sup>6</sup>.

1.8.3. The recommendations are then subject to an intra-Whitehall consultation process, which is coordinated through HM Treasury, as follows:

Stage 1	Chancellor of the Exchequer /Permanent Secretary HM Treasury (depending on appointment)
Stage 2	Scotland Office and Cabinet Office
Stage 3	Chancellor of the Exchequer
Stage 4	Prime Minister
Stage 5	HM The Queen

1.8.4. Once the appointment has been subject to the intra-Whitehall consultation process and the appointment has received the HM the Queen's approval, the successful candidate can be informed of the appointment.

1.8.5. The appointment of Chairman, Non Executive Board Members and the Chief Executive appointments are made under Royal Warrant, and this is issued by the Royal Household. Appointments are normally for a four years.

## 1.9. Reappointments of The Chairman and Non Executive Board Members

1.9.1. The Senior Independent Director is responsible for informing HM Treasury of its support or otherwise for the reappointment of the Chairman for a second term of appointment<sup>7</sup>. A recommendation for the reappointment of the Chairman requires HM Treasury support and is subject to the intra-Whitehall consultation process. Given the lengthy period of time this process can take it is recommended that any recommendation for the reappointment of the Chairman commences following the

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<sup>6</sup> The Recommendation is normally channelled through the Treasury Officer of Accounts or the HM Treasury's representative on the selection panel.

<sup>7</sup> The Senior Independent Director is responsible for leading discussion on behalf of the Board in relation to the appointment and succession of the Chairman. As agreed with HM Treasury in June 2009, while Non Executive Board members (including the Chairman) are subject to OCPA rules, the terms of NEBM appointments will reflect the principles as set out in the Combined Code. As such, the Chairman and Non Executive Board Members will not normally be permitted to hold more than two consecutive board appointments or a combination of board appointments exceeding 10 years in total.

anniversary of the third year of the appointment term.

1.9.2. The Chairman of The Crown Estate is responsible for informing HM Treasury of his support for the reappointment of the Non Executive Board Member for a second term of appointment. The recommendation requires HM Treasury support and is subject to the intra-Whitehall consultation process. Given the lengthy period of time this process can take it is recommended that any recommendation for the reappointment of the Chairman commences following the anniversary of the third year of the appointment term.

1.9.3. Once the intra- Whitehall consultation process has taken place and the appointment has received the approval of HM the Queen, a new Royal Warrant is issued for the term of the appointment.

## **2. Appointment of the Chief Executive of The Crown Estate**

- 2.1. The Chief Executive holds both an executive appointment and Non Executive Board Member appointment. The term of appointment is normally for a term of four years and the initial appointment process is the same as that required for the appointment of a Non Executive Board Member.
- 2.2. Unlike other Non Executive Board members, the Chief Executive is permitted to hold more than two consecutive terms of appointment<sup>8</sup> and the subsequent terms of appointment are not subject to the full intra-Whitehall consultation process.
- 2.3. Once the appointment has received the approval of HM the Queen, a new Royal Warrant is issued for the term of the appointment.

## **3. Appointment of the Senior Independent Director**

- 3.1. The appointment of the Senior Independent Director is made at the discretion of the Chairman of The Crown Estate. The appointment, including the terms of the appointment is formally confirmed in writing.

## **4. Appointment of Non Executive Board Members to serve as Chairman and / or as members of Committees of the Main Board**

- 4.1. The appointment of Non Executive Board Members to serve as Chairman and/ or as members of Committees of the Main Board is made at the discretion of the Chairman of The Crown Estate. The appointment, and the terms of the appointment is formally confirmed in writing.

## **5. Royal Warrant**

- 5.1. The appointment of Non Executive Board Members and the Chief Executive is confirmed by Royal Warrant. The Royal Warrant is issued for each term of appointment.

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<sup>8</sup> Permitted under Statutory Instrument issued in 2009.

5.2. The original Royal Warrant is issued to the Non Executive Board Members/Chief Executive.

5.3. In the event that a Non Executive Board Member / Chief Executive relinquishes their appointment during the term of the Royal Warrant, The Crown Estate is required to formally notify the Crown Office.

## **6. Appointment of Board Advisers**

6.1. The appointment of Board Advisers to the Main Board is at the discretion of the Chairman of The Crown Estate and the function to be performed by such appointments will be formally agreed by the Board. These appointments are not considered Non Executive Board Members of the Crown Estate and appointment terms are set out under an appointment to provide consultancy services to The Crown Estate. Therefore the appointment of Board Advisers is not subject to the public appointments process, but the recruitment to such positions should be undertaken in the spirit of the arrangements and the Nolan Principles of public life.

## **7. Review of Guidelines**

7.1. A review of this document should be undertaken in the light of changes arising from the provisions of the Combined Code on Corporate Governance, guidance issued by the Office of the Commissioner for Public Appointments or Guidance issued by HM Treasury.

## **Appendix 2: Guidance on Board appointments (from July 2012)**

This guidance note provides information relating to the appointment of Non-Executive board members at The Crown Estate and covers the following:-

- Chairman of The Crown Estate
- Non-executive board members (Commissioners)
- Scottish Commissioner
- Chief Executive
- Senior independent board member
- Board counsellors
- Appointments of chair and members to committees of the Main Board.

## **8. Introduction**

8.1. The Crown Estate Act 1961 provides that the Board shall comprise eight Commissioners. The Chairman (who is non-executive), the Chief Executive<sup>9</sup> (an executive appointment), and six 'non-executive' board members.

8.2. In addition to the six non-executive board members, The Crown Estate has elected to be able to appoint up to two, non-voting board counsellors to the Board in order to provide the collective Board with an appropriate balance of skills, knowledge and expertise.<sup>10</sup>

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<sup>9</sup> Also known as the Second Commissioner.

<sup>10</sup> Agreed with HM Treasury in 2010.

- 8.3. The Crown Estate complies with the standards as set out in the UK Corporate Governance code, insofar as they apply to its business model. Non-executive board appointments are for a term of four years with the possibility of extension for a second term of four years. The maximum consecutive term which a non-executive voting board member may serve on the Board is 8 years. The Chief Executive may serve consecutive terms of appointment in accordance with the provisions of paragraph 5.6.
- 8.4. All Board appointments, including non-voting Board counsellors are managed in accordance with the requirements as set out in guidance issued by the Office for the Commission for Public Appointments (OCA).<sup>11</sup>
- 8.5. The Crown Estate Board is an expert board and given the diversity of The Crown Estate's business, its board members and board counsellors are appointed to complement the overall balance of skills required by the business at a given time. In order to maintain this balance at the Board, the following areas of expertise are required. :-
- 8.5.1. Urban property business
  - 8.5.2. Rural property business
  - 8.5.3. Coastal business
  - 8.5.4. Energy
  - 8.5.5. Infrastructure
  - 8.5.6. Whitehall, Westminster and devolved administrations
  - 8.5.7. Corporate governance
  - 8.5.8. and Sustainability.
- 8.6. As a general rule, board counsellors are appointed so as to be ready to succeed to full non-executive board membership on an allotted date when the next retiring board member steps down, so maintaining the balance of expertise offered by board members and counsellors combined, as referred to in paragraph 1.5. above. The recruitment process for board counsellors is therefore one and the same as the process for non-executive board members, and includes Treasury stakeholder engagement process as set out in paragraph 4.2 at the time of the appointment as counsellor, with the effect that the status of the non-executive board appointment is deferred until an agreed date. This will enable board counsellors appointed in accordance with the OCA process and to be appointed with a deferred appointment to the Board subject to the Chairman's endorsement, see paragraph 13.3.
- 8.7. Non-executive board members standing down from the Board may be invited by the Chairman to join the Board as a board counsellor. The appointment is not subject to the OCA process.

## **9. Involvement of The Economic Secretary (EST) in the appointment of Board Members**

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<sup>11</sup> The OCA has agreed that the Chairman of the Crown Estate will continue to chair appointment panels for the appointment of non-executive board member, including the Scottish Commissioner.



- 9.1. The EST will be involved at each stage of all appointments which are subject to the OCPA process. Accordingly, the EST must:-
  - 9.1.1. Agree the proposed selection process, selection criteria and publicity strategy and any potential candidates to be invited to apply for the appointment.
  - 9.1.2. Be kept informed of progress at each stage of the recruitment process, and if they wish, be provided with information about the expertise, experience and skills of the candidates.
  - 9.1.3. At the end of the process, and where possible, be given a choice of candidates considered by the panel to be appointable.
- 9.2. The EST may also wish to :-
  - 9.2.1. Convey to the panel views about the expertise, experience and skills of the candidates to the panel at the different stages of the selection process.
  - 9.2.2. Suggest potential candidates to be invited to apply for the appointment.
  - 9.2.3. Meet the candidates judged by the panel to be appointable before making his/her choice.<sup>12</sup>
- 9.3. A formal recruitment plan addressing the requirements in para 2.1 and 2.2 above will be prepared by The Crown Estate and submitted to the Treasury Officer of Accounts to obtain EST approval for the appointment process to commence.
10. **The appointment of Chairman, non-executive board members of The Crown Estate and board counsellors where paragraph 8.6 applies**
  - 10.1. The appointments of Chairman and non-executive board members of The Crown Estate, including the Scottish Commissioner (and board counsellors where paragraph 8.6 applies) are “public appointments” and therefore the recruitment to these positions is subject to the process set out by the Office of the Commission for Public Appointments (OCPA) for public appointments (see paragraph 4.2 below). The Scottish Commissioner position is also a statutory appointment under the Scotland Act 2012 and paragraph 4 sets out the stakeholder consultation arrangements which need to be undertaken in relation to appointments to this position.
  - 10.2. Public appointments are managed by a selection panel. The Office for the Commission of Public Appointments will appoint an independent member to the selection panel for the appointment of Chairman of The Crown Estate, in consultation with the Treasury. It is expected that the independent member will Chair the selection panel, but may serve as a panel member subject to discussion and agreement between OCPA and the Treasury. In all other cases, it is expected that the Chairman of The Crown

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<sup>12</sup> If the minister elects to see appointable candidates they are required to meet all of the appointable candidates individually, and candidates must be accompanied by the Chair of the panel or a nominated representative.

Estate will chair the selection panel for the appointment of non-executive board members, board counsellors and the Chief Executive.

- 10.3. In the case of the Chairman's appointment, the panel members are expected to be as follows:

<b>Chairman</b>	Independent Member (see para 3.2)
<b>Crown Estate Representatives</b>	Senior independent director and/or Chief Executive.
<b>Treasury Representative</b>	Permanent Secretary HM Treasury or nominated representative

- 10.4. In the case of non-executive board members (including the Scottish Commissioner, and board counsellors where paragraph 8.6 applies), the panel members are expected to be as follows:-

<b>Chairman</b>	Chairman of The Crown Estate.
<b>HM Treasury</b>	Permanent Secretary HM Treasury or nominated representative <sup>13</sup> .
<b>Crown Estate Representatives</b>	Non-executive board member as nominated by the Chairman of selection panel <sup>14</sup> and Chief Executive.
<b>Independent Member</b>	This appointment is made by The Crown Estate in consultation with the Treasury. The independent member should have a good knowledge of business sectors which The Crown Estate operates in.

- 10.5. The selection panel for public appointments is supported by a secretary, normally the Head of HR for The Crown Estate.

## 11. Meetings of the selection Panel

- 11.1. There are normally five meetings of the selection panel for each appointment. These are to consider the following:-

<b><i>Pre-Meeting for Scottish Commissioner appointment</i></b>	<i>Scotland Office alert Scottish Government to the start of the process inviting Scottish Government to bring the process to the attention of suitable candidates.</i>
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<b>Meeting 1</b>	The panel meet to agree:-
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<sup>13</sup> For non-executive board appointment, HM Treasury representative is normally the Treasury Officer of Accounts.

<sup>14</sup> The nominated non-executive board member will typically be selected on the basis of their knowledge and experience in a relevant field.

- The appointment of executive search consultants;
- The candidate specification for the appointment;
- The draft advertisement and placement arrangements;
- Information to be provided to candidates;
- The application process and documentation.

#### **Meeting 2**

The panel meet to agree:-

- Candidates to be “long-listed” for the appointment.

#### **Meeting 3**

The panel meet to agree:-

- Candidates to be shortlisted for the appointment<sup>15</sup>;
- Questions to be asked at interview.

#### **Meeting 4**

The panel interview candidates.

### **12. Appointment Process**

12.1. Following conclusion of meeting 4 above, the secretary to the selection panel prepares the panel’s recommendation report to the EST on behalf of the chairman of the panel. This should describe the stages and outcome of the selection process, how the process and the outcome delivered against the original specification and recruitment plan and confirm that the appointment process was conducted in accordance with the OCPA Code of Practice.

12.2. The panel’s recommendation report must be submitted to the Treasury Officer of Accounts who is responsible for undertaking the necessary arrangements at Treasury to support the submission of the recommendation report to the EST.

Subject to EST approval of the candidate for appointment, the Treasury Officer of Accounts will coordinate the Treasury stakeholder consultation process as follows:-

Stage 1	Permanent Secretary HM Treasury (depending on the appointment);
Stage 2	EST
Stage 3	Chancellor of the Exchequer;  Scotland Office and Cabinet Office;
Stage 4	<b><i>Scottish Commissioner appointment only</i></b> <i>Scotland Office coordinates consultation with the Scottish Government about recommended candidate;</i>
Stage 5	Prime Minister;
Stage 6	HM The Queen;

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<sup>15</sup> Details of the candidates shortlisted for the appointment are shared with the Scotland Office.

Stage 7 Ministry of Justice

- 12.3. The appointment is made by letter from the Ministry of Justice issues to the candidate following Her Majesty's approval - stage 6).
13. **Reappointments of The Chairman and non-executive board members and transition of board counsellors to non-executive board members**
- 13.1. The senior independent director is responsible for informing HM Treasury of the Board's support or otherwise for the reappointment of Chairman for a second term of appointment<sup>16</sup>. A recommendation for the reappointment of Chairman requires HM Treasury support and is subject to the OCPA process, which requires a recommendation report to include an assessment of the Chairman's performance in the role. Treasury will also engage with their stakeholders regarding the proposal for re-appointment. Given the lengthy period of time this process can take it is recommended that any recommendation for the reappointment of the Chairman commences following the anniversary of the third year of the initial term.
- 13.2. The Chairman of The Crown Estate is responsible for informing HM Treasury whether he supports the reappointment of the non-executive board members for a second term of appointment. In his recommendation report the Chairman will include an assessment of the non-executive board members performance in the role. In the case of the Scottish Commissioner, the Chairman's recommendation should also include evidence of the performance of the Scottish Commissioner from relevant stakeholders.
- 13.3. The Chairman of The Crown Estate is responsible for informing HM Treasury when he proposes that board counsellor should become a non-executive board member.
- 13.4. Arrangements for reappointment follow the process and timescales set out at paragraph 6.1 above.
- 13.5. Once the Treasury stakeholder process has taken place and the appointment has been made by the Ministry of Justice (having been approved by HM The Queen) a new Royal Warrant is issued for the term of the re-appointment.
- 13.6. The Chief Executive's term of appointment is normally for a term of four years. The initial appointment process is the same as that required for the appointment of a non-executive board member, but unlike non-executive board members, the Chief Executive may hold more than two consecutive terms of appointment and the subsequent terms of appointment are not subject to the OCPA process. Nevertheless, once the appointment has been made Ministry of Justice (having

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<sup>16</sup> The senior independent director is responsible for leading discussion on behalf of the Board in relation to the appointment and succession of the Chairman. As agreed with HM Treasury in June 2009, while non-executive board members (including the Chairman) are subject to OCPA process, the terms of NEBM appointments will reflect the principles as set out in the UK Code of Corporate Governance. As such, the Chairman and non-executive board members will not normally be permitted to hold more than two consecutive four year board appointments exceeding 8 years in total.

received the written approval of HM The Queen), a new Royal Warrant is issued for the term of the appointment (see paragraph 14.1).

#### **14. Royal Warrant**

- 14.1. The appointment of Chairman, non-executive board members, the Chief Executive and board counsellors who are to transition to board members authorised by the Department for Constitutional Affairs, is confirmed by Royal Warrant. The Royal Warrant, issued for each term of appointment, is issued by the Assistant Head of the Crown Office, Ministry of Justice, which operate from the House of Lords, Palace of Westminster, London SW1A 0PW.
- 14.2. The original Royal Warrant is given to the Chairman, non-executive board members and Chief Executive and a copy is filed by The Crown Estate's HR department.
- 14.3. In the event that the Chairman, non-executive board member and Chief Executive relinquishes their appointment during the term of the Royal Warrant, The Crown Estate (HR) is required to formally notify the Crown Office. Royal warrants for the appointment of non-executive board members who are initially appointed as board counsellors are issued, on their transition to board Member, once the Chairman has endorsed the transition in accordance with paragraph 13.3.
- 14.4. Only one royal warrant is issued for each appointment. In the event of the original being lost or damaged no replacement will be issued by the Crown Office.

#### **15. Board counsellors**

- 15.1. The decision to appoint board counsellors (where the conditions set out at paragraph 1.6 do not apply) is at the discretion of the Chairman of The Crown Estate and the function to be performed by such appointments will be formally agreed by the Board.
- 15.2. These appointments are not non-executive board members of The Crown Estate and do not have voting rights. Terms of appointment whilst their board counsellor role subsists, are set out in a contract for consultancy services to The Crown Estate.<sup>17</sup>
- 15.3. Nevertheless, board counsellors appointments follow the OCPA process set out in paragraph 5, unless they are being appointed on standing down as a board member (or for some other reason are not planned to succeed to non-executive board membership).
- 15.4. Notwithstanding the OCPA process having been followed, board counsellors cannot take up non-executive board membership until they succeed to that position on the allotted date. At that point the transition will be automatic with no further public appointment process being required subject only to the Chairman endorsing the transition before it can become effective – see paragraph 7 and the Royal Warrant being issued.

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<sup>17</sup> This appointment co-exists alongside the deferred Royal Warrant.

**16. Appointment of the senior independent director**

- 16.1. The appointment of the senior independent director is made at the discretion of the Chairman of The Crown Estate. The appointment, including the terms of the appointment is formally confirmed in writing.

**17. Appointment of non-executive board members to serve as chairman and/or as members of committees of the main Board**

- 17.1. The appointment of non-executive board members to serve as chairman and/ or as members of Committees of the Main Board is made at the discretion of the Chairman of The Crown Estate. The appointment, and the terms of the appointment is formally confirmed in writing by the Chairman.

**18. Review of Guidelines**

- 18.1. A review of this document should be undertaken in the light of changes arising from the provisions of the UK Code of Corporate Governance, guidance issued by the Office of the Commissioner for Public Appointments (OCPA), guidance issued by HM Treasury, or legislative change or other change in circumstance as The Crown Estate requires.
- 18.2. A review of this document will in any event be undertaken annually
- 18.3. These arrangements have been agreed with HM Treasury.