

**STANDARDS COMMITTEE**  
**Friday, 2 October 2020**

**8. FIXED TERMS FOR INDEPENDENT PERSONS**

The Committee considered a report of the Comptroller and City Solicitor relative to the introduction of fixed terms for Independent Persons.

The Comptroller and City Solicitor clarified that the main decision for the Committee today was around the length of term to be introduced.

The Chair commented that, in her opinion, the argument that there should be fixed terms for Independent Persons was unarguable. She added that independence and the appearance of independence was an important factor in determining length of term as was having sufficient time to know and understand the mechanics. She concluded by stating that her preference would be to not adopt a 4-year term renewable once as she felt that 8 years was a long term and would prefer to see a speedier turnover.

A Member spoke to compare and contrast with other Corporation Committees in terms of the length of terms granted to independent or external appointees. He highlighted that the external appointees played a particularly important role on the Audit and Risk Management Committee where they were appointed for a maximum of three periods of 3 years (9 years in total). Likewise, recommendations from the Charity Commission for Trustees sitting on Trusts were around a maximum of 9 years. He suggested that the Committee might therefore reflect on this before deciding that a term of 8 years might be too long.

Another Member spoke to agree with the previous speaker stating that he would be content with two terms of 4 years and stressing that he felt that there were many benefits to continuity of service. He added that this approach had been adopted by the Education Board which he had formerly chaired and had been successful. In his experience, this also seemed to be the approach taken with corporate appointments.

The Chair recognised that the calibre of candidate appointed was also an important factor and highlighted that there was not an inexhaustible pool of people with relevant experience and willingness to serve.

Another Member spoke to agree that, in the private sector, FCA and Charity Sector, common practice was to appoint for two terms of three years with a further term of three years available by exception. She suggested that a decision around maximum terms of either 8 or 9 years would therefore seem appropriate here.

The Deputy Chairman spoke to state that, whilst he did not feel particularly strongly about this, the prospect that the Committee on Standards in Public Life (CSPL) recommendations could become law swayed him towards adopting 2-year terms.

A Co-opted Member questioned whether views had been sought from the serving Independent Persons on this matter and around how best to balance independence with continuity of service. The Chair commented that she was not aware that they had been formally consulted to date although she believed that they were generally in favour of the introduction of fixed terms.

Another Co-opted Member commented that, in order to acquire adequate experience of things such as Complaints and to make a valuable contribution, he felt that a maximum period of 8 years (two terms of four years) was advisable.

A Member commented that this matter was about striking an appropriate balance between turnover and experience. In terms of service of two terms of 3 years versus two terms of 4 years, on balance, he would prefer to see two terms of 3 years introduced going forward. He also remarked that he was of the view that the CSPL recommendations could take a long while to be acted upon.

A Member commented that this conversation seemed to highlight that there ought to be a baseline position on this matter across the Corporation and that each Committee worked from this unless there was a specific reason to differentiate from it. The Chair agreed that a standardised position would be helpful going forward.

Another Member commented that she would also be in favour of introducing terms of 3 years, renewable twice given that the Court tended to operate on appointments to Committees on a 3-year basis in most cases. She also highlighted the importance of advertising positions and seeking interest in good time to manage turnover as effectively as possible and not necessarily awaiting the departure of one Independent Person before considering their replacement.

Another Member stated that, whilst she did not feel strongly either way, she would prefer to see the introduction of two terms of 3 years with a further 3 years available by exception. She also agreed with the point made by the previous speaker and stated that the Committee should always be actively seeking expressions of interest/canvassing for any upcoming vacancies.

A Co-opted Member questioned whether consideration might also be given to introducing 2-year terms, renewable three times (6 years in total) in reference to what might be proposed by the CSPL and eventually be enshrined in law. 2-year terms would also provide the opportunity for the Committee to assess any concerns around genuine independence and the like fairly regularly. The Chair commented that she would support this approach and felt that it was a good compromise between all of the various factors being discussed.

A Member spoke to refer to recommendations made by Lord Lisvane under the Governance Review and the possibility that this may lead to the Court introducing standard terms across the board for all external appointees. He added that, if this were to happen, this Committee should comply with any corporate standards introduced. The Chair agreed with this point, although she highlighted that her view was that this Committee should take a view on this

matter now given that there was currently no certainty around the timeframe for the consideration and possible implementation of the Lisvane recommendations. It was, however, recognised that the matter may need to be revisited should a wider, corporate, standard be introduced.

The Deputy Chairman spoke again to clarify that he was concerned that, should the Committee decide to adopt anything longer than 2-year terms, it risked having all of its Independent Persons on longer terms than may eventually become legislation. This could lead to all of the appointees having to be replaced at the same time when staggered end terms were clearly preferable. He felt that 2-year terms renewable three times therefore struck him as the best possible approach at this stage. He added that, even if this Committee were to cease to exist in line with Lord Lisvane's recommendations, the appointment of Independent Persons would still be necessary as it was a statutory requirement.

The Chair summarised by commenting that the introduction of much shorter maximum terms of, for example, 4 years would be totally out of step with the approach adopted by other City Corporation Committees with external/independent members. A too frequent turnover would also cause potential problems around attracting the right calibre of candidate each time. With this in mind, it was felt that the suggestion around introducing 2-year terms, renewable three times and allowing for a maximum of 6 year's service on the Committee was the most effective means of balancing all of the considerations raised. It would also mean that the Committee would be in line with what the statutory recommendations were anticipated to be and minimise disruption when these came into force.

**RESOLVED** – That the Standards Committee consider that a fixed term of office should be introduced for Independent Persons and that they should be appointed for 2 year terms, renewable twice after the initial appointment, resulting in a maximum period of 6 year's service overall and wish to make a recommendation to the Establishment Committee and Court of Common Council on this basis.