

## THE UNIVERSITY OF LEEDS

**Code of Practice on Corporate Governance**

*The Code set out below will be adopted by the Council to guide the conduct of corporate governance, compliance with which shall be within the remit of the Audit and Risk Committee.*

*In the course of seeking re-affirmation of the Code, the opportunity is being taken of replacing existing provisions on academic freedom and collegiality with statements recently agreed with the UCU; incorporating the University's values; clarifying provisions on the determination of periods of appointment for University offices; and updating the Code more generally (to reflect, for example, the wording of the Council's Statement of Primary Responsibilities, the University's responsibilities under the Freedom of Information Act; and to make other editorial changes).*

**Principles of governance**

1. The University is a research-intensive international higher education institution, striving to create, advance and disseminate knowledge, and to develop outstanding graduates and scholars, in order to make a major impact on global society. It has charitable status (as an exempt charity), and it is a body which receives significant financial support from the exchequer. It is committed to uphold academic freedom and collegiality in accordance with the statements set out in 3-5 below.
2. The University endeavours to ensure that its corporate governance arrangements:
  - ◇ are efficient, effective and economic;
  - ◇ are expeditious and timely;
  - ◇ are open and transparent;
  - ◇ are collegial;
  - ◇ meet relevant legal requirements and obligations;
  - ◇ provide for proper accountability; and
  - ◇ promote integrity and objectivity in the conduct of University business.

**Academic freedom**

3. Through its commitment to academic freedom, the University is committed to ensuring that academic staff and other members of the University have freedom within the law to question and test received wisdom, and to put forward new ideas and controversial or unpopular opinions, without placing themselves in jeopardy of losing their jobs or privileges. It is similarly committed to ensuring that staff have the right to criticise the functioning of higher education institutions, including their own, without placing themselves in jeopardy.

**Collegiality**

4. Through its commitment to collegiality, the University is committed to ensuring that members of staff have the opportunity to make their voice heard, directly or indirectly, on any matter of concern to them, and in particular to ensuring that they are consulted on the development of strategy and on matters of policy and principle, including the basis on which resources are allocated. Specifically, the University is committed:

- (a) to ensuring that academic decisions are taken by academic bodies;
  - (b) to maintaining elected seats on the Council, the Senate and all policy boards (in the case of the Senate the elected seats to constitute a majority of the total membership);
  - (c) to supporting a forum within each faculty (the faculty board or equivalent) which can act as a two-way channel of communication between staff in the faculty and the faculty's management committee<sup>1</sup>;
  - (d) to encouraging regular and effective staff meetings in schools, and to encouraging staff engagement in the development of school strategy, planning submissions and other strategic and policy issues;
  - (e) to encouraging members of the University to contribute to decision-making, either directly (through participation in staff meetings or through election to relevant University authorities and key committees) or indirectly (through representative bodies);
  - (f) to mechanisms for regular and effective consultation and negotiation with unions representing staff
  - (g) to making all Council, Senate papers and committee papers available on request to members of the University (typically through Campusweb), subject only to confidentiality considerations as defined in this Code.
5. Although University authorities and the University management will thus strive to consult as widely as possible – and to be as open and transparent as possible – about the development of strategy and policy, and will take into account all views expressed through such consultations, it will not always be possible or practicable to defer decisions until all interested parties have expressed views.
6. Collegiality is in any event to be interpreted by reference to the whole set of the University's values.

### Values and Principles of conduct

7. The University's values are set out below. They provide a framework of reference to guide decision-making and describe how the University is committed to behaving.



**Academic excellence:** knowledge, academic freedom, critical independence, creativity, innovation, world-class performance

**Community:** public service and citizenship; collegiality, teamwork and mutual respect

**Integrity:** openness, transparency and honesty

**Inclusiveness:** diversity, equal opportunities and access

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<sup>1</sup> Under Ordinance III, the faculty board is empowered to ask questions about, and express an opinion on, any matter concerning the faculty, and to convey such opinions to the faculty management committee, which in turn is obliged to take account of any recommendations made by the board

**Professionalism:** provision of effective and efficient customer-focused services in all aspects of our work (internally and externally)

8. The University is also committed to conducting its business in accordance with the 'Seven Principles of Public Life' adumbrated in 1995 by the (then Nolan) Committee on Standards in Public Life:
  - ◇ **Selflessness** - Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their families or their friends.
  - ◇ **Integrity** - Holders of public office should not place themselves under any financial obligation to outside individuals or organisations that might influence them in the performance of their official duties.
  - ◇ **Objectivity** - In carrying out public business, including making public appointments, awarding contracts or recommending individuals for reward and benefits, holders of public office should make choices on merit.
  - ◇ **Accountability** - Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.
  - ◇ **Openness** - Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.
  - ◇ **Honesty** - Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
  - ◇ **Leadership** - Holders of public office should promote and support these principles by leadership and example.
9. The University Council has also adopted the following precepts for the conduct of University business by the Council, University committees and offices.
  - (1) ***Decisions must be taken honestly, in good faith and solely in terms of the University's interests.*** Personal relationships, friendships, family links or personal advantage must not influence decisions. Similarly, members of the Council and other committees must not place themselves under any obligation - financial or otherwise - which might influence them in the performance of their University duties. Every member of the Council together with certain members of key committees and individuals with a significant role in purchasing and procurement are expected at the start of each academic year to complete an entry in the University's Register of Interests (kept by the Secretariat); to up-date that entry as necessary during the year; and, in accordance with the University's Financial Regulations and Procedures, to declare any gifts or hospitality received in the course of his or her University duties.
  - (2) In any event, ***no-one can play any part in decision-making on matters in which he or she has a personal interest.*** ('Personal interest' in this context is interpreted according to established usage, and with reference in particular to the precept at 9(1) above.) In a committee, any personal interest should be declared at the outset of discussion; and, whilst the chair of the committee has discretion in the matter (taking account of the materiality of a particular personal interest), the normal expectation is that the individual concerned will withdraw from the meeting in circumstances where there might be a conflict between his or her interest and the interests of the institution. Similar considerations apply to decision-making which lies outside the scope of the University's committee system.

- (3) **Decisions must be informed not only by the University's commitment to the advancement and dissemination of knowledge but also by reference to considerations of proper financial management and the need to ensure the University's solvency.** The financial implications of any proposed course of action must be fully assessed (having regard to potential risks and rewards); due regard must be paid to the University's obligations under the Financial Memorandum under which the University receives grants from the HEFCE and to its charitable status (which requires University decisions to be informed by prudence); and value for money must always be a prime criterion against which proposals are assessed. This does not mean, of course, that the University must always take the cheapest options; factors such as quality and fitness for purpose are relevant too. But it does mean that, before reaching any decision, the Council, committee or University officer concerned must be satisfied that the course of action proposed

- ◇ is legal, constitutional, sensible and prudent;
- ◇ represents an effective and efficient use of University resources; and
- ◇ is consistent with the University's corporate strategy as approved from time to time by the Council.

Similar considerations apply to decision-making which lies outside the scope of the University's committee system.

- (4) In addition, **decisions regarding individuals must be taken on merit.** They must be informed by the University's policy framework, including its commitment to equality and diversity.
- (5) **The Council and all University committees and officers are accountable for their decisions and actions,** and, subject to 9(6) and 9(7) below, must be prepared to give, in appropriate detail, reasons for those decisions and actions.
- (6) **Decision-making by any University committee or equivalent body is collective;** and, whilst the committee as a whole may be called to account (normally through its chair or secretary), individual members are not expected to have to account for their own contributions to the Committee's decision (provided, of course, that they have complied with the precepts set out in 9(1) and 9(2) above). In any event, particular views shall not normally be attributed to particular members, whether in the minutes or otherwise.
- (7) **In general, subject to the provisions of the Data Protection Act (1998 and 2003) and the Freedom of Information Act 2000 and the outcomes of any public interest testing necessary to determine whether information requested under that Act is disclosable to a member of the general public, the papers and minutes of the Council, the Senate and main committees of the University shall be open to inspection by members of the University,** and the decisions of such bodies will be disseminated widely within the institution. Against that background, the following shall normally apply:
- (a) Committee papers relating to the appointment, promotion, progression or personal affairs of individual members of staff, prospective members of staff or other individual third parties, or to the admission, assessment or personal affairs of individual students or prospective students, will be confidential to the committee concerned.
  - (b) Committee papers may be deemed confidential to the committee if, in the opinion of the chair and secretary of the committee, they are commercially sensitive and their disclosure could prejudice the University's interests; those taking any such decision may be called to justify it to the University Council.
  - (c) Similarly, papers considered by any working group or sub-committee during the course of its deliberations may be deemed confidential to the working group or sub-committee concerned if, in the opinion of the chair and secretary of the group

or sub-committee, their disclosure might prejudice the University's interests, and, in particular, prejudice the proper development of University policy. Again, the chair and secretary may be called to justify their decision to the University Council, and in any event *reports* from working groups or sub-committees shall be open to inspection by members of the University.

## **Decision-making and delegation**

### *General*

10. Whilst the Council as the governing body is the ultimate decision-making authority of the University, there is no question of it being able itself to be directly involved in decision-making on all matters: the sheer size and complexity of the University mean that some delegation of powers to officers and committees is necessary. The framework for such delegation is set out in

- (a) the University's Scheme of Delegation;
- (b) the University's Financial Regulations and Procedures;
- (c) the terms of reference of University committees;
- (d) other regulations and policies laid down from time to time by the Council.

### *Matters reserved to the Council for decision*

11. The following matters may not, however, be delegated; subject to 17 below, they are reserved for collective decision by the full Council:

- (a) approval or modification of the University's mission and objectives, the strategic and operational plans to meet those objectives (including academic, financial, physical, staffing and capital strategies), and the underlying values and principles that shape the work of the University
- (b) approval or modification of the overall constitutional and organisational structure and shape of the University, including in particular
  - ◇ amendments to the Charter and Statutes (subject to the authority of the Privy Council) and amendments to Ordinances
  - ◇ the establishment, modification or discontinuation of faculties, schools (and other bodies having the functions of schools), corporate services, and such other bodies as it may deem appropriate, including in particular institutes and other interdisciplinary units
- (c) approval or modification of the main features of the University's overall governance and management structures, its systems of risk management, internal financial management and control and accountability, and its financial regulations and procedures;
- (d) approval of the main features of the mechanisms for allocating resources within the University;
- (e) approval of the University's annual general revenue budget;
- (f) appointment of the University's bankers and approval of the University's banking mandates;
- (g) appointment of the University's external and internal auditors;
- (h) approval of the University's annual statement of accounts;
- (i) approval of major projects and business proposals, including in particular
  - ◇ any projects or proposals with a value of over £3 million

- ◇ any proposals for educational provision overseas
- (j) the approval of a model Memorandum of Understanding with subsidiary companies of the University, and the appointment of a Nominated Officer for each such company;
- (k) the use and custody of the University's Common Seal;
- (l) approval (or modification) of the main features of the University's employment policies and procedures;
- (m) approval (or modification) of the University's policy on health and safety;
- (n) approval (or modification) of other significant University policies;
- (o) the making of nominations to the office of Chancellor, Pro-Chancellor, Deputy Pro-Chancellor, and, as appropriate, the Chair of the Council;
- (p) appointment of the Vice-Chancellor and other executive officers;
- (q) conferment of the titles of Emeritus Professor and Life Fellow of the University;
- (r) to approve or to amend, as necessary, the terms of the Trust Deeds of any University trusts;
- (s) appointment of Council nominees on University committees and of University nominees on the boards of trustees of any University trust;
- (t) discharge of any functions assigned to the Council under Statute VII (covering, for academic and related staff, redundancy, discipline, dismissal and removal from office, removal for incapacity on medical grounds, appeals and grievance procedures);
- (u) the overall monitoring of the University's performance and compliance with legal and other requirements.

12. The matters enumerated in 11 above are not, of course, the only matters which will come to the Council for decision; the list in 11 simply identifies the matters which (subject to 17 below) the Council may not delegate to committees or officers. Nor should the list in 11 be taken to imply that the Council will necessarily be consulted on matters of detail in the areas listed. In the case of the resource-allocation mechanism, for example, the responsibility indicated at 11(d) above means that the approval of the Council is required for any *significant* changes to the resource-allocation model, or indeed for any proposal to discontinue or moderate use of the model. It does not mean that minor changes to, or refinements of, the model have to come to the Council.

### *The Senate*

13. The Senate is responsible to the Council for academic governance, and specifically for regulating, in accordance with the Charter and Statutes:
- (a) the admission of students;
  - (b) the curriculum and assessment;
  - (c) the maintenance and enhancement of academic standards;
  - (d) the award of degrees and other qualifications.
14. In respect of other areas of the University's work, the Senate's role is advisory rather than decisive; and it also has a role in serving as a two-way channel of communication, thus underpinning collegiality. The Senate is responsible in particular for advising the Council on academic and related strategies. In addition, the Senate:
- (a) may discuss and declare an opinion on any matter whatsoever relating to the University;
  - (b) shall be consulted about the allocation of general revenue;

- (c) shall be given the opportunity to comment on proposed policies or modifications to policies, and on major business proposals affecting the academic work of the University;
- (d) shall be consulted about any material modifications to the constitutional and organisational structure of the University.

15. In accordance with precepts enshrined in the University's Code of Practice on Corporate Governance, members of the Senate are regarded as members *in their own right*. Individual members are not *delegates* of the constituencies from which they are drawn, and nor is their role that of advancing the interests of those constituencies: members are appointed or elected in an *individual* - or personal - capacity, and are expected to take a University-wide perspective on issues before them. Notwithstanding this point, and having regard to the Senate's role in underpinning collegiality, members are also expected to provide a two-way channel of communication by canvassing the views of colleagues on matters of particular interest prior to meetings of the Senate and reporting back subsequently.
16. On a similar basis to like provisions for the Council (see 10 above), the Senate may in general delegate its powers and responsibilities to committees and officers.

#### *Action on behalf of the Council, the Senate and committees*

17. The Council has authorised the Pro-Chancellor (and, in her or his absence, the Deputy Pro-Chancellor(s)) to take action and decisions on behalf of Council between meetings on the understandings:
- (a) that a report of any such action will be made to the next meeting of Council
  - (b) that action taken on this basis will include action relating to matters of principle or policy only in the event of great urgency.
18. The Senate has agreed a similar convention in relation to the conduct of its business; and that convention applies, *mutatis mutandis*, to the business of all other University committees.

#### **Participation and representation**

19. In accordance with 4 above, the University is committed to ensuring that there are elected seats on its governing body and on relevant policy committees, and is likewise committed to ensuring that the University Union is represented on all committees which are concerned with matters in which the student body has a direct and legitimate interest.
20. Although the membership of the Council as governing body is thus widely-drawn, the Council is not to be seen as a 'representative forum'. Individual members are not *delegates* of the constituencies from which they are drawn, and nor is their role one of advancing the interests of those constituencies: members are appointed or elected in an *individual* - or personal - capacity, and are expected to take a University-wide perspective on issues before them.
21. A similar convention applies to all University authorities and committees, including the Senate (see paragraph 15 above).

#### *Length of service*

22. The Council has agreed that the standard term of office for Council members should be three years, on the basis that appointments may normally be extended for one further term of three years, giving a normal maximum period of membership of six years. (The possibility of re-appointment beyond this prescribed maximum is not however altogether

precluded when, after due and proper consideration, it is agreed that the loss of an individual's specialist expertise would be detrimental to the University's best interests.) Similarly, it has been agreed that the Chair of Council should be appointed for a three-year term, and be eligible for re-appointment for a further term of three years and, depending on circumstances obtaining at the time, perhaps for one further term of three years (giving a maximum possible tenure of office of six years in normal circumstances, or nine years in exceptional circumstances).

23. Other things being equal, these principles will inform appointments to other University committees. Periods of appointment to University offices will be as determined by the Council as appropriate on the advice of the Senate

### **Conduct of meetings**

24. The quorum for meetings of the Council shall be ten, and that for meetings of the Senate fifteen.
25. The conduct of business by University committees will be governed by the following 'standing orders'. (Note, however, that the Council and the Senate each has its own standing orders.)
  - I. Ordinary meetings of the committee shall be held in accordance with the University's annual Almanac, or otherwise as the committee itself may determine. Special meetings may be held on any other date if in the opinion of the chairperson a special meeting is necessary or desirable. A special meeting shall also be convened within ten days of the receipt by the secretary of a written request signed by not less than 20 per cent of the members.
  - II. At least five days' notice (exclusive of the day on which the notice is served but inclusive of the day for which the notice is given) shall be given of a meeting. This notice shall specify the place, the day and the hour of the meeting and the general nature of the business to be transacted, and shall be sent to every member of the committee. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any member shall not invalidate the proceedings of such meeting.
  - III. The proceedings of a committee shall not be invalidated by reason of any vacancy in its membership.
  - IV. Unless otherwise specified in its terms of reference, the committee shall have a quorum of two-fifths of its membership.
  - V. In the absence of the appointed chairperson, the members present shall elect one of their number to take the chair.
  - VI. In all cases, the chairperson shall have a vote and, in the case of an equality of votes, a second (or 'casting' ) vote.
  - VII. Except by leave of the committee, members shall speak only to matters on the order paper.
  - VIII. It shall be at the discretion of the chairperson whether to restrict the number of occasions on which, and the length of time for which, a member may speak to a particular item on the order paper; but in any event each member shall be entitled to speak once for up to five minutes on each item on the order paper.
  - IX. Except as otherwise provided in the standing orders, a simple majority of the members present and voting at any meeting shall be sufficient to carry any resolution or amendment.
  - X. The exact wording of unsuccessful motions or amendments shall not be recorded in the minutes of the meeting unless the committee otherwise directs. The numbers of

those who have voted for and against any motion or amendment, and those who have abstained, shall not normally be recorded in the minutes, but may be if the committee so directs. Except by leave of the chairperson, the names of people who dissent from a resolution shall not be recorded in the minutes.

- XI. No resolution of a committee shall be rescinded or varied within the same academic year as that in which it was passed except with the consent of at least two-thirds of those present and voting.
- XII. The chairperson may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- XIII. Except by leave of at least two-thirds of the members present at any meeting, opposed business shall not be taken at that meeting after it has been in progress for four hours.
- XIV. If at any meeting of the committee any questions shall arise as to whether any of the above standing orders has or have been complied with, the chairperson shall seek advice from the secretary before making a decision (which shall be final).
- XV. Suspension of any standing order shall be effected by two-thirds majority of those present save that standing orders II, III, IV and XIV may not be suspended.

12 October 2006 version  
(Updated August 2008, August 2009, May 2010)