

CORPORATE GOVERNANCE CODE OF PRACTICE

Introduction to University governance and management

1. For the purpose of this Code, 'governance' is defined as the systems, structures, procedures and rules by which the University takes decisions on its affairs and is held accountable for them. This includes setting the University's strategic aims and objectives, monitoring and measuring performance against these, ensuring accountability and effective scrutiny, and appointing and ensuring the effectiveness of the head of the institution and other senior officers.
2. Governance therefore is distinct from the day-to-day 'management' of the University, which is more about the pursuit of agreed aims and objectives, the implementation of agreed policies, the preparation of new policy proposals, and the efficient and effective deployment of resources.
3. Despite this distinction there is a critical interface between good governance and effective management, and the academic, research and commercial success of the University is very much dependent upon this interface.
4. The University of Leicester was established by Royal Charter in 1957 and acts as an autonomous, self-governing institution. It has exempt charitable status, and is regulated by the Office for Students (OfS). It is the stated intention of the University that it will conduct its affairs in accordance with the Higher Education Code of Governance most recently published by the Committee of University Chairs (CUC) in 2020, and in accordance with the principles established by the Nolan Committee on Standards in Public Life. The University's ongoing compliance with the CUC Code is scrutinised annually by Council and reported as part of regular external reviews of Council's effectiveness.

Council

5. Council is the governing body of the University and its principal financial and legal authority. It has the responsibility to satisfy itself that the systems, structures, procedures and rules for the running of the University are appropriate, necessary and fit for purpose. Members of Council are expected to ask probing, searching questions in relation to these matters and to satisfy themselves that the responses are sound, confident and consistent.
6. Parallel with this, management is concerned with the day-to-day running of the University; with advising the governing body about policies and objectives; and with devising means of implementing agreed policies and meeting agreed objectives. The University's Executive Board, which is chaired by the President and Vice-Chancellor, is accountable to Council in respect of these matters.

The Constitution of Council

7. The constitution of Council is prescribed in the Statutes and cannot be amended without the external approval of the Privy Council. There are a total of 22 places on Council, 14 of which must be filled by independent 'lay' members who are neither staff nor students of the University. Of the 8 other places, 3 must be filled by the President and Vice-Chancellor, the Deputy Vice-Chancellors and an executive officer of the Students' Union, normally the President. The remaining 4 places must be filled by elected academic members of the Senate. Quoracy rules require the lay members to be in the majority at all meetings of Council, regardless of the total number of members present at any one time. Full details of the Membership of Council are available on the University's website and are also published annually in the Financial Statements.

Appointment of Lay Members of Council

8. The 14 lay members of Council, including the Chair of Council and the Treasurer, are appointed on the recommendation of the Nominations Committee of the Council, apart from one lay member who is appointed by the Alumni Association. The Nominations Committee reflects regularly on the balance of relevant knowledge, experience and skills on Council, and on matters in relation to equity, diversity and inclusion.
9. Potential new lay members of Council may be identified by various means, including advertisement in the national press, on social media, by circular to alumni, and promotion in other professional and personal networks. Applications are then subject to a transparent recruitment process before the Committee presents its recommendations. Appointments are made for a standard term of three years in the first instance; appointments may be subsequently extended but this is not automatic and requires a fresh recommendation from the Nominations Committee. No member will normally be allowed to serve for more than nine consecutive years, unless they progress to the position of Chair of Council or Treasurer.

The Chair of Council and the Treasurer

10. The Chair of Council and the Treasurer are the two most senior lay member positions and these are also appointed by the Council on a recommendation from the Nominations Committee, which approves role descriptions for both positions. In the case of the Chair of Council the Nominations Committee will establish a specially extended Selection Panel to conduct the recruitment process. The President and Vice-Chancellor will not be a member of the Selection Panel.

The Vice-Chair of Council

11. On the recommendation of the Nominations Committee the Council also appoints a Vice-Chair of Council from amongst its own lay membership. In the Chair's absence the Vice-Chair shall chair meetings of Council, and deputise for the Chair in any other ways as the Chair may require or deem appropriate from time to time and as set out in the role description. In addition, the Vice-Chair is available to other Council members for advice and support in any instances where concerns have not been resolved through contact with the Chair of Council, President and Vice-Chancellor or

Registrar and Secretary; or for which such contact is felt to be inappropriate in the circumstances.

Senior Lay Member

12. The role of Senior Lay Member provides enhanced support to the Chair in the leadership of Council and in the development and improvement of governance practices, is an alternative communication channel between the Chair and the Board and a point of contact for Council members to raise issues and concerns and leads on any Council matters where it would not be appropriate or feasible for the Chair to be involved. The Senior Lay Member is appointed by Council from among its external members, on the recommendation of the Nominations Committee and as set out in the role description.

Duties and Responsibilities of All Members of Council

13. The powers of the Council are prescribed in the Statutes and Ordinances of the University. The responsibilities of Council are set out in its Statement of Primary Responsibilities and the arrangements for the conduct of Council meetings are set out in its Standing Orders.
14. Members of Council, as individuals and as trustees, have a duty of care to the University as a whole. They have a duty to ensure that the University acts reasonably and with rigour in setting and then pursuing its objectives. Members are required at all times to act with integrity and objectivity in the best interests of the University, and within the scope of their powers. Members are personally responsible for any breach of trust, which includes wilfully exceeding their powers, or committing University funds for purposes outside the University's charitable objects.
15. All lay, staff and student members of Council share the same trustees' responsibilities and obligations. No members are excluded from any discussions that take place at Council meetings and all members - including staff and students - are encouraged to participate fully in all decisions, except where they have a direct personal interest in the matter under discussion (which must be declared – see section on Fit and Proper Persons).
16. It is reasonable and appropriate for the lay members of Council to endeavour to establish constructive and supportive working relationships with University staff and students with whom they come into contact, and this is positively encouraged. However, these relationships are expected at all times to remain both independent and challenging, and they must always observe the proper separation between governance and management. In particular, lay members of Council must not seek, or allow themselves to develop, an involvement in the day-to-day executive management of the University. Notwithstanding this clear separation lay members of Council are still eligible to chair, or to serve as a member of, a committee of Council.
17. All members of Council are required to bear in mind the overarching principles of openness and transparency in the conduct of business. However, it is incumbent upon members that due regard be given to the observance of confidentiality as and when appropriate, for example, in relation to personal information about named individuals or to the commercial interests of the University. Members are asked to acknowledge a

duty of confidentiality in such matters upon appointment to Council. Confidential matters discussed at meetings are recorded in 'Reserved' minutes which are not published externally.

18. It is expected that members of Council will attend the majority of the scheduled meetings of Council each year (, and that they will participate in the scheduled meetings of any committees or working groups to which they may have been appointed. Where a member does not attend a minimum of three Council meetings and is unable to show good cause for this, their membership of Council will be subject to review by the Nominations Committee. The attendance record of all members of Council at meetings of Council and any 'required' committees to which they have been appointed is published annually in the Financial Statements.
19. From time to time there may arise the need for a Special Meeting of Council to take place. On these occasions notice of the time of the meeting will be given in accordance with the arrangements set out under Standing Orders and members are expected to be willing to make themselves available for such meetings.
20. An Urgency Committee comprising the Chair of Council, the Treasurer, the President and Vice-Chancellor, the Deputy Vice-Chancellors and one other lay member of Council, or their designated deputies, has the authority to act on behalf of Council between Ordinary meetings of the Council. The Registrar and Secretary and appropriate members of the Executive to the matter being discussed are also in attendance. Such action may be taken only where it would be inappropriate to wait for the matter requiring consideration to be brought to a scheduled meeting of the Council, and in all cases any such action must be reported to the next Ordinary meeting. Before reaching a decision on any such matter the Urgency Committee must normally meet to consider written details of the matter requiring a decision, and must first determine whether it is of such significance that a Special Meeting of Council should be called. In practice very little business is conducted outside of the Ordinary meetings and the Urgency Committee meets extremely rarely.
21. Appointments to Council are in the nature of public service appointments and are not remunerated. All members of Council are eligible to claim reimbursement of travelling expenses for attendance at meetings of Council, any other University body upon which they sit, and associated development activities such as conferences and training events. All expenses claims are dealt with under the same Financial Regulations as apply to University staff.

Publication of the Proceedings of Meetings of Council

22. The Unreserved Minutes of Council meetings are made available on the University's website, once they have been approved and confirmed by Council at a subsequent meeting. Reserved Minutes are not published.

Standing Committees of Council and Senate

23. The terms of reference and constitutions of the standing committees of Council and Senate, as listed below, can be viewed in detail on the [Committee website pages](#).

Standing Committees of Council

- Audit and Assurance Committee
- Finance and Infrastructure Committee
- Honorary Degrees Board (reports jointly to Council/Senate)
- Nominations Committee
- People, EDI (Equality, Diversity and Inclusion) and Wellbeing Committee
- Remuneration Committee
- Standing Committee of the Alumni Association

Standing Committees of Senate

- Education Committee
 - Research and Enterprise Committee
 - Senate Student Discipline Committee
24. The proceedings of these committees are minuted and each committee reports by way of minutes and/or reports on matters of substance to its superior body, which will be either Council or Senate.
 25. The Audit and Assurance Committee and Remuneration Committees, including their chairs, consist exclusively of independent lay members who are appointed by the Nominations Committee and rotated regularly. The Audit and Assurance Committee holds a 'private session' with the internal and external auditors at the end of every scheduled meeting, to enable any matters of concern to be raised and discussed without any staff being present.
 26. The Finance and Infrastructure Committee is chaired by the University's independent lay Treasurer. Further information on the operation of the Nominations Committee and the Remuneration Committee is given elsewhere in this Code.
 27. The members and attendees of the other committees consist, as appropriate in each case, of a combination of lay, staff, student and trade union representatives and there is regular turnover of membership.
 28. Outside of these formal standing committees regular meetings take place between senior management, heads of departments/offices, the trade unions and other staff groups to discuss any current developments, issues or concerns at the University. The Executive Board holds open staff forums periodically, and if staff have any questions that they would like to be addressed at these meetings there is an opportunity for these to be submitted in advance, to enable full responses to be prepared.

Delegation of Powers

29. In order to facilitate the effective running of the University, Council has delegated certain powers to the officers and committees of the University. These procedures are set out in the approved Schedule of Delegation. Some powers are designated as being 'reserved' to Council, which means that they cannot be delegated to any other

group or individual. These reserved powers include the approval of the University's annual budget and its audited financial statements, and the appointment of the President and Vice-Chancellor and the Registrar and Secretary.

Fit and Proper Persons Procedure (including Registration and Declaration of Interests)

30. To be registered on an ongoing basis with the Office for Students (OfS), the University must demonstrate that it satisfies the conditions of registration that are set out in the OfS regulatory framework for Higher Education. This includes confirmation that those leading the organisation are 'Fit and Proper Persons' as referenced in the Finance Act 2010 and the OfS Public Interest Governance Principles.
31. Currently those persons included in scope in line with the agreed definition are Council members, members of the Executive Board and senior staff 'exercising control or significant influence' e.g. Director of Estates and Digital Services and the Director of Human Resources.
32. All members of Council and all members of the University Leadership Team are required to make a formal declaration that they are 'fit and proper persons' to take major decisions on behalf of the University, and for ensuring that its charitable funds are used only for charitable purposes. Each individual is required to complete and sign a Fit and Proper Persons Declaration Form at the time of their first appointment, and annually thereafter, for the duration of their time in office. Each individual's signed form(s) will be retained by the University for a period of four years beyond the date at which they cease to be a member of Council and/or the Executive Board.
33. All Members of Council, and designated staff with budgetary authority and/or influence over University business and procurement decisions, are required at all times to adhere to the University's policies and procedures for the registration and declaration of interests. In particular, no person shall be a signatory to a University contract in which they also have an interest in the activities of the other party.
34. Specific dedicated policies and registers are applied separately to [Council](#) and to [Staff](#). The registers for both groups are updated annually, or as required at other times, and deposited with the University's Procurement Office. The Council Register is presented annually to a scheduled meeting of the Council and published on the University website. 'Declaration of Interests' is a formal agenda item at the start of all meetings of Council and Senate, and their standing committees.
35. Staff and members of Council must not accept any personal benefit as an inducement or reward for taking action (or specifically not taking action) in their position in the University or for showing favour (or disfavour) to anyone in their position in the University.
36. In accordance with the requirements of Financial Reporting Standard 102 all members of Council are required to disclose annually the details of any material transactions that take place between the University and the member (or their close family) or companies or other organisations which they control. Transactions are material if they are significant to the member, or close family member or

organisation under their control, rather than being significant to the University. Transactions in a year are generally regarded as material if they are over £25,000 and/or exceed 10% of the income of the individual or the turnover of the organisation under control.

Council Member Code of Conduct

37. Council Members are provided with guidance on the standards of behaviour, conduct and accountability which are expected of them in the Code of Conduct for Members of Council. The Code is intended to assist members in carrying out their responsibilities and to support their relationship with the University and its Executive. The overall aim of the Code is to promote effective, well-informed and accountable corporate governance; it does not seek to provide a definitive or authoritative statement of all applicable laws.
38. Acceptance of appointment as a member of Council is construed as acceptance of the Code of Conduct. The Code applies equally to all members of Council and covers their appointment to Council, any standing committee of Council or Senate, any other committee, group or similar forum established to support the work of Council or the wider University, and any subsidiary company or joint venture of the University to which they may be appointed or over which they may have jurisdiction or responsibility (whether explicit or implied).

University Companies, Pension Funds, the Students' Union and the OfS

39. Council's duties, responsibilities and powers in relation to the above bodies are as defined as applicable in the Statutes, Ordinances, SU Memorandum of Understanding, and in the OfS Regulatory Framework.

Senate

40. Senate's constitution and powers are prescribed in the Statutes and Ordinances of the University. Senate is the custodian of the academic integrity of the University. Subject to the overall authority of Council, it is concerned with directing and regulating the academic life of the University, including the provision and standards of teaching; promotion and standards of research; standards of examination; aspects of the student experience; and the organisation of the Colleges, Schools and Departments of the University.
41. Responsibility for the day-to-day running of the academic affairs of the University rests with the Heads of School/Department, who are ultimately accountable to the President and Vice-Chancellor. The Heads of College, who are also accountable to the President and Vice-Chancellor, are responsible for providing academic, managerial and strategic leadership within their Colleges and for the management of College budgets in line with all financial procedures and regulations. This includes immediately notifying the Chief Financial Officer of any matter which involves, or is thought to involve, irregularities concerning the cash or property of the University. They are also Pro-Vice-Chancellors and as such are members of the Executive Board and may have additional designated institutional responsibilities. The Heads of College and Heads of School/Department, and the other Pro-Vice-Chancellors, are ex officio members of the Senate.

Court

42. Court is a body of stakeholders, a large majority of whom are external to the University. The Full Members of Court, of whom there are around 100 at any one time, attend an Annual Meeting of Court to receive reports on and ask questions about the University's activities during the year and its audited Financial Statements. Court's constitution and powers are prescribed in the Ordinances of the University.

Executive Board

43. The Executive Board is the senior management team of the University and is responsible for providing effective, coordinated and strategically-aware leadership of the University's current and future performance. It consists of:
 - The President and Vice-Chancellor (Chair)
 - The Deputy Vice-Chancellors
 - The Pro-Vice-Chancellors (PVCs, x2) and the PVCs/Heads of College (x3)
 - The Registrar and Secretary
 - The Chief Financial Officer
 - The Chief Marketing and Engagement Officer
 - The Chief of Staff
44. *The President and Vice-Chancellor* is appointed by the Council on the recommendation of a Joint Committee of the Council and the Senate. The authority for this appointment is a reserved power of Council and cannot be delegated to any other group or individual. The President and Vice-Chancellor is the chief academic and executive officer of the University, is the Chair of the Senate and is responsible for maintaining and promoting the efficiency, effectiveness and good order of the University. As Accountable Officer the President and Vice-Chancellor is personally responsible to Council for ensuring compliance with the OfS's terms and conditions of funding and for providing the OfS with clear assurances to this effect.
45. *The Registrar and Secretary* is also appointed by the Council on the recommendation of Joint Committee of the Council and the Senate. Again, the authority for this appointment is a reserved power of Council and cannot be delegated to any other group or individual. The Registrar and Secretary is both an executive member of the Executive Board and, officially, the Secretary to Council, Senate and certain committees. In practice the Registrar and Secretary delegates the secretariat role for Council and certain committees to other officers of the University (normally the Governance Office).
46. The Registrar and Secretary advises Council on relevant issues arising in respect of the use of public funds, accountability, legal matters, as well as the application of the University's Charter, Statutes, Ordinances and Regulations to matters at hand. This also includes responsibility for advising Council if any proposed action would exceed Council's powers, or be contrary to law or to the terms of its registration with the OfS.
47. Although the Registrar and Secretary has a managerial reporting line to the President and Vice-Chancellor, it is clearly understood that the role involves

distinct responsibilities to Council itself, and its Chair, as the governing body of the University.

Remuneration of Senior Staff

48. It is the stated intention of the University that it will conduct its remuneration arrangements in accordance with The Higher Education Senior Staff Remuneration Code, most recently published by the Committee of University Chairs in 2021. In line with this, the Remuneration Committee provides an annual report of its activities to Council, which is subsequently published on the University website.
49. The Remuneration Committee considers and reports to the Council on the remuneration, including severance payments, of the President and Vice-Chancellor and other members of the Executive Board. The Committee is comprised solely of independent lay members, including the Chair of Council and the Treasurer. The Committee is chaired by the Chair of Council, except when it is considering the remuneration of the President and Vice-Chancellor, in which case the Treasurer will take the chair. Senior staff are not permitted to be present at the Committee for any part of its discussions which affect their own remuneration.
50. A separate Senior Staff Pay Committee, chaired by the President and Vice-Chancellor, considers and reports to the Remuneration Committee on the remuneration of Grade 10 senior staff, non-clinical professorial staff, and non-professorial Heads of Department.

Gifts and Hospitality

51. As a publicly funded institution, the provision and receipt of gifts and hospitality is a sensitive area for the University. It is possible that members of staff and Council may, on occasion, be offered gifts or hospitality simply as a mark of courtesy or gratitude. Such offers can place individuals in a difficult position, since to refuse may cause offence but to accept may, in certain circumstances, be open to misinterpretation. The University has appropriate arrangements in place, within its Financial Regulations, for the provision and receipt of gifts and hospitality, to avoid misunderstanding and to provide a framework for dealing with difficult situations.

Acceptance of Donations

52. The University has an obligation to conduct its fundraising activities and relationships in an ethical manner. Council has approved a Gift Acceptance Due Diligence Policy in order to ensure that clear and consistent decisions are taken regarding the acceptance or refusal of gifts and the establishment of specific philanthropic relationships. This Policy applies to all members of the University engaged in these activities on its behalf.
53. Council has also approved a separate Naming Policy which sets out the governance and due diligence arrangements for the consideration of naming opportunities which may feature as part of the recognition of philanthropic

contributions to the University. This policy also provides guidance on naming for non-philanthropic contributions and honorific recognition.

Identification, Reporting and Investigation of Suspected Fraud, Bribery, Corruption or Other Financial Irregularity

54. It is expected that where any member of the University is aware of, or suspects with good cause, that there has been an incident of fraud, bribery, corruption or other financial irregularity they will report the matter to the University without delay. They may do this either under the Whistleblowing Policy referred to below, or under one of the other relevant policies laid down in the Financial Regulations. These other policies relate specifically to bribery and corruption, fraud, money laundering, and the Criminal Finances Act 2017.
55. Any serious control weaknesses, significant frauds or major accounting breakdowns will be notified through the President and Vice-Chancellor (as Accountable Officer) to the Chair of the Audit and Assurance Committee, the Chair of Council, and to the OfS.

Whistleblowing

56. Legal provisions covering Public Interest Disclosure, commonly referred to as 'whistleblowing', offer legal protection to staff, students, Council members and other members of the University who may be fearful of dismissal or other penalties suffered as a result of confiding in the University about certain serious concerns which are in the public interest. If a member of the University discovers information which they believe shows malpractice or wrongdoing within the organisation (or in conjunction with third parties who are external to the organisation, such as suppliers or contractors) they can inform the University without going through their line manager and may choose, if they wish, to remain anonymous.
57. The University's Whistleblowing Policy explains in detail the procedures to be followed if a member of the University has a concern which is in the public interest.
58. The University makes such investigations as are appropriate. In all cases a report of the outcomes of any investigation will be made to the Audit and Assurance Committee - in detail where the issue falls within its purview, and in summary in other cases - as a means of allowing the Committee to monitor the effectiveness of the procedure.
59. Although a disclosure made under the Whistleblowing Policy may (at least initially) be investigated under the procedure detailed in the Policy, such investigation may subsequently lead to the invocation of other policies and procedures as deemed necessary or more appropriate, such as those covering grievances, discipline, bullying and harassment, misconduct in research, and financial irregularities referred to above.
60. The Whistleblowing Policy does not permit or encourage the challenging of legitimate financial or business decisions properly taken by the University, and it

cannot be used to bring about the reconsideration of matters which have already been dealt with under separate harassment, complaint or disciplinary procedures.

61. The Policy is reviewed and updated at intervals of no less than three years, with appropriate input from the University's legal advisers and auditors, and is presented to the Audit and Assurance Committee for approval. Members of staff and students are advised to consult the latest Whistleblowing Policy before making a disclosure. The Policy features widely on the University's website and is included on the induction checklist for new members of staff.

Personal Complaints and Grievances

62. The procedures for handling complaints and grievances by members of staff in relation to their own employment at the University are set out in detail in the Ordinances. The procedures for handling student grievances are published in the Regulations.

Financial Statements

63. The University's audited Financial Statements, which are published annually and presented formally to the Annual Meeting of Court, with an opportunity for any questions to be raised about their content, provide a comprehensive overview of the institution's corporate governance arrangements. This includes a full statement of the membership, powers and responsibilities of the Council, as the University's governing body; a summary of the work of its Audit and Assurance, Finance and Infrastructure, Nominations and Remuneration committees; and public confirmation of the separation of the role of the Chair of Council from that of the University's Chief Executive, the President and Vice-Chancellor.

Governance Office
February 2023