



CODE OF CONDUCT FOR GOVERNORS

1. INTRODUCTION

- 1.1 The University is a higher education corporation governed by a governing body (the Court of Governors), of which each governor is a member. The University is also an exempt charity. The University's governors are therefore charity trustees.
- 1.2 This Code is not intended simply as a guide but rather as a set of principles and standards of conduct by which Governors must abide at all times. This Code incorporates the University's conflict of interest policy for governors.
- 1.3 The Code also applies to committees, or any joint committee, group or working party constituted by the Court of Governors or with its approval and to their members whether or not such members are governors. Subsequent references to the Court of Governors in this Code should be taken to include all such subsidiary bodies.

2. PRINCIPLES

- 2.1 Central to the proper conduct of the business of the governing body of the University of the Arts London is the requirement for governors to follow the seven principles set out by the Nolan Committee on Standards of Public Life:
- (i) Selflessness
 - (ii) Integrity
 - (iii) Objectivity
 - (iv) Accountability
 - (v) Openness
 - (vi) Honesty
 - (vii) Leadership.

3. GOVERNORS' LEGAL LIABILITIES

- 3.1 Governors are appointed as members of the governing body under the provisions of the Education Reform Act 1988. Governors must therefore at all times comply with education, charity and other relevant legislation. In relation to charity law, the University is regulated by the Office for Students (OfS). In certain circumstances, the Charity Commission may also have a regulatory role.
- 3.2 A person who is offered appointment as a governor of the University of the Arts London will receive copies of the following documents, together with this Code:
- (i) The Instrument and Articles of Government;
 - (iii) The Guide for Governors issued by the Committee of University Chairs (CUC) or its equivalent as an advisory document.
 - (iv) Role description for members of the governing body.

Acceptance of the appointment will be construed as:

- (i) Acceptance of this Code;
- (ii) Acceptance of the duties and responsibilities of charity trusteeship (and as set out in the role description);
- (iii) Confirmation that the governor concerned is not disqualified from acting as a

charity trustee.

3.3 Governors are advised to familiarise themselves with these documents and with such other advice issued through the Court of Governors from time to time. If in doubt, governors should contact the University Secretary and Registrar or his office for advice. Ultimately, however, responsibility for the appropriateness of conduct as a member of the governing body and for any act or omission in the duties of a governor must rest with the individual member.

3.4 The Court of Governors reserves the right to remove any governor from office on written notice if the Court of Governors decides that the said governor is unable or is unfit to discharge the functions of a member (Instrument 6.3).

4. PUBLIC DUTY

4.1 The over-riding duty of a governor is to the University (the Corporation) as a statutory body and as a charity. Charity trustees have a duty to act in the best interests of the charity at all times. This applies to all governors, be they external governors, staff governors or student governors.

4.2 It is for each governor to come to a view on any question which the governors have to decide. A governor cannot be bound by a mandate (Article 7.9) except when acting for another member as proxy. However governors must accept collective responsibility for the decisions reached by the governing body.

4.3 A governor should never act as a governor in any way which could not be justified to the Court of Governors or the public, since that conduct, and what the public believes about it, may affect the reputation of the University and the institutions for which it is responsible. A governor should also avoid any occasion for suspicion or the appearance of improper conduct.

5. POLICY ON DECLARATION OF INTERESTS

5.1 Definition - Conflict of Interest

A conflict of interest is any situation in which a trustee's personal interests or loyalties could, or could be seen to, prevent them from making a decision only in the best interests of the charity.

5.2 Definition – Trustee Benefit

Trustee benefits are a financial or other measurable benefit paid to a trustee or to a person or body connected to the trustee (defined at paragraph 5.3.3 below and in the Annex) from the University's funds, usually in return for a service provided to the University, but this can also relate to the provision of goods. It can include a payment in kind such as being given access to a service for which users normally pay.

5.3 Trustees and Interests

5.3.1 Conflicts of interest usually arise where:

- (i) there is a potential financial or measurable benefit directly to a trustee, or indirectly through a person or body connected to the trustee (defined at paragraph 5.3.3 below); or
- (ii) a trustee's duty to the University may compete with a duty or loyalty he/she owes to another organisation or person.

- 5.3.2 Governors have a personal responsibility to declare conflicts of interest if they are to fulfil their legal duty to act only in the best interests of the charity.
- 5.3.3 This duty also extends to conflicts that arise because of persons or businesses connected to a governor (a 'connected person'). The definition of a 'connected person' is:
- (a) a child, sibling, parent, grandparent, and grandchild of a trustee;
 - (b) the spouse or civil partner of the trustee or of any person falling within paragraph (a) above;
 - (c) a business partner of the trustee or of any person falling within paragraphs (a) or (b) above.

Simply put, the interests of such a 'connected person' may be viewed under charity legislation as one and the same as those of the governor. This also extends to businesses (e.g. where a trustee or family member holds at least one-fifth (20%) of the shareholding or voting rights).

A more detailed definition of 'connected persons' can be referred to at section 188 and sections 350 to 352 of the Charities Act 2011.

- 5.3.4 Governors and any persons or bodies connected to them are not legally permitted to benefit from their connection with the University, i.e. to receive a trustee benefit, except in very limited circumstances set out in charity legislation. Should this principle not be followed by any governor, a breach of trust could be deemed to have occurred, an individual governor could become liable, and the University's decision making in relation to that matter could be challenged.
- 5.3.5 Proper authority in advance for any such trustee payment or benefit must be obtained. This applies no matter how small the payment or benefit might be. Such authority cannot be given retrospectively. The Charities Act 2011 requires the governing body's explicit consideration and approval of the matter as being in the best interests of the charity before any contract is entered into or a payment made. In some cases, the University may conclude that this authority is not sufficient or cannot be relied upon, in which case an Order from the Charity Commission may be required. The Commission will only authorise the benefit if it would be in the best interests of the University.

5.4 Examples of Interests

- 5.4.1 Examples of **financial** interests are where a governor or a person connected to them as defined at paragraph 5.3.3 above:
- (i) receives a payment from the University for a professional service, such as public relations advice;
 - (ii) is a director of a company or a partner in a partnership with which the University is engaged in some way.

Governors should be particularly scrupulous in seeking advice in advance on any potential financial interest they may have because financial interests may fall within the definition of a trustee benefit mentioned above.

Some examples of **trustee benefits** include:

- (i) Paying a governor or a 'connected person' for consultancy services;

- (ii) Employing a trustee's spouse at the University;
- (iii) Paying a scholarship or bursary to a close relative of a trustee who is studying at the University.

5.4.2 Examples of **personal** interests are when a trustee:

- (i) has a conflict of loyalties between the charity and their personal or other interests; for example, if they are a trustee of another charity or serve on a committee of a public body;
- (ii) has been appointed by the University to another body.

5.5 Identifying Interests – Reasonable Person Test

When seeking to identify whether they have an interest or a perceived interest which should be declared, governors are advised to consider what a reasonable person external to the University might think, knowing all the circumstances. If there is any doubt, the governor should seek advice from the University Secretary and Registrar.

5.6 Resignation of Governor

Governors must accept that where a serious conflict of interest is declared, there may be circumstances which arise which could necessitate them resigning as a governor in order to facilitate effective decision making by the Court of Governors, particularly where the conflict relates to high risk or important decisions.

5.7 Declaring Interests

5.7.1 The University has a policy on declaring interests in order to manage carefully and, where possible, avoid any potential conflicts of interests.

5.7.2 Governors are required to declare any interest, including those of persons or bodies connected to them, to the University Secretary and Registrar:

- (i) as soon as they are aware a potential interest has arisen; and
- (ii) on an annual basis through a return issued to the University Secretary and Registrar.

Governors must scrupulously observe the above requirement at all times. Such declarations shall be kept in a register open to the public.

5.7.3 Prospective external candidates for governorship will be required to declare their interests before being interviewed by members of the Nominations Committee. The Court of Governors will also be informed of a candidate's declared interests when making a decision on the appointment. In certain circumstances, it may be the case that the prospective candidate's conflict of interest is so serious that the appointment cannot be made.

5.7.4 If a governor has an interest of any kind in a matter to be considered by the Court of Governors or its committees, he or she must declare that interest at the beginning of the meeting and subsequently take no part in the discussion or voting on that matter (Article 7.10). The governor must withdraw from that part of the meeting. Such declaration will be set out in the minute, and the minute will refer to the nature of the

interest.

- 5.7.5 Where a governor, or firm or body with which he or she is connected, provides services which the University may wish to purchase or where any other potential trustee benefit is identified, the governor must inform the University Secretary and Registrar immediately. This will allow the University to take professional advice in advance and ensure the matter is properly considered and determined by the Court of Governors, meeting all legal requirements as set out in charity legislation, if that is an acceptable way forward and in the best interests of the University as determined by the Court of Governors. The governor concerned must not be involved themselves in the deliberation and determination of the matter. The governor will withdraw from that part of the meeting. Again, such a declaration will be set out in the minute, and the minute will refer to the nature of the interest.
- 5.7.6 Disclosure may not be necessary where an interest under discussion is shared generally with other governors or senior officers of the University or the public at large. However, advice should always be sought in advance from the University Secretary and Registrar in case of doubt.
- 5.7.7 There may be occasions where a trustee has a conflict of interest which the Court of Governors or a committee, in the light of advice from the University Secretary and Registrar, deems is low risk. In such circumstances, the governor should declare the interest and ensure it is recorded but it will be for the Court of Governors or the relevant committee, in light of the advice from the University Secretary and Registrar, to decide to what extent the governor may participate, if at all.
- 5.7.8 A governor is required to apply these same principles about the disclosure of interests to dealings with officers of the University and to unofficial contacts with other governors on informal occasions no less scrupulously than as at formal meetings.
- 5.7.9 Where a governor becomes aware of an undisclosed interest of another governor, he or she must report the matter to the University Secretary and Registrar.
- 5.7.10 The policy will be monitored and enforced by the University Secretary and Registrar as Clerk to the Court of Governors.

6. GOVERNORS AND OFFICERS

- 6.1 Mutual respect between governors and officers is essential to good governance, and governors are expected to avoid conduct that might damage this relationship or prove embarrassing to fellow governors, officers or the University.
- 6.2 Both governors and officers have duties to the University and are indispensable to one another although their responsibilities and the role are distinct viz:-
- (a) Governors are responsible for collectively deciding on those matters below as identified in Article 3.1 and further in Article 5.4:
- the determination of the educational character and mission of the University and for oversight of its activities;
 - the effective and efficient use of resources, the solvency of the University and for safeguarding its assets;
 - approving annual estimates of income and expenditure;

- the appointment, grading, suspension, dismissal and determination of the pay and the conditions of service of the Principal (the Vice-Chancellor) and the Clerk to the Court of Governors (the University Secretary and Registrar), and for the appointment, grading, dismissal and determination of the pay and conditions of service of certain other senior staff members);
- the assignment and appraisal of the Vice-Chancellor and University Secretary and Registrar;
- for setting a framework for the pay and conditions of other staff.

(b) The Vice-Chancellor and his/her senior officers are responsible for the day to day management of the University. Governors should not seek to be involved in decisions which are properly the preserve of the officers unless such decisions are contrary to agreed University policy.

7. USE OF PRIVATE AND CONFIDENTIAL INFORMATION

7.1 Governors will often receive information, both with the papers circulated for meetings of the Court of Governors or its committees or in the course of such meetings, before it is made public and/or which is marked confidential or is deemed by the meeting to be confidential. Until restrictions of this nature are lifted, it would be a serious breach of trust to betray such confidences and the University would have to consider taking the appropriate action.

7.2 Similarly, governors should never disclose or use such confidential information in any circumstances for personal advantage to themselves or anyone known to them or to the disadvantage or discredit of the Court of Governors, any other person or the University.

8. GIFTS AND HOSPITALITY

8.1 Governors should recognise that persons or organisations offering a gift, favour or hospitality may be doing so because they are doing, or seeking to do, business with the University. Governors should bear in mind their responsibility to ensure that any risk of damage to public confidence in the University should be avoided. Unless governors judge them to be insignificant in the course of normal business practice (having referred to University policy on the matter), the offer of the receipt of gifts or invitations should be reported to the University Secretary and Registrar from whom advice should be sought on acceptance.

9. EXPENSES AND ALLOWANCES

9.1 Any rules enabling governors to claim expenses and allowances in connection with their duties as a governor must be scrupulously observed. Generally such expenses are limited to travel and subsistence as set out in the University's expenses policy for staff.

10. DEALINGS WITH THE UNIVERSITY

A governor may have dealings with the University on a personal level, for instance if they are a student or staff governor. Governors should never seek or accept preferential treatment in those dealings because of their appointment and should avoid placing themselves in a position that could be construed as receiving

preferential treatment. Further, governors should never use their position as a governor or their connection with the University in any way to seek preferential treatment for friends or relatives, or any firm or body with which they are personally connected.

11. USE OF UNIVERSITY FACILITIES

Governors should always make sure that any facilities (such as transport, stationery, or secretarial services) provided by the University for their use in their duties are used strictly for those duties and for no other purpose.

12. APPOINTMENTS TO OTHER BODIES

A governor may be appointed or nominated by the Court of Governors as a member of another body or organisation and as such should always observe this Code in carrying out their duties on that body in the same way they would with the University. Such membership may on occasion require them to declare an interest at meetings of either the Court of Governors or the other body.

13. COMMUNICATING THE CODE

Each governor will be given this Code on appointment. When interviews for applicants for governors take place, the Code will be given to them. An explanation of the content of the Code, in particular the Policy on Declaration of Interests, will be given to new governors at their induction.

- First approved by the Court of Governors (under Article 14.1) on 10 May 1993 and revised on 15 November 2010. Further revisions approved by the Chairman's Committee on 25 November 2014.
- Minor amendments made in September 2018 by the Governance Office.
- Next review due: 2019

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