

CITYLIT

THE CITY LITERARY INSTITUTE

GOVERNING BODY CODE OF CONDUCT

1. Introduction

1.1 The Code of Conduct for The City Literary Institute has been adopted to show the commitment of members to operate in as open a way as is possible whilst maintaining the highest standards of conduct for such a body. The provisions of the Code apply equally to each and every member of the Governing Body; this includes when acting as members of a committee or other group established by the Board of Governors.

1.2 The Governing Body supports the seven principles of public life laid down by the Committee on Standards in Public Life (Nolan Committee) for those holding public office, namely:

Selflessness; integrity; objectivity; accountability; openness; honesty; leadership.

Further details on the Seven Principles are attached at Appendix 1.

1.3 By accepting appointment to the Governing Body each Governor agrees to accept the provisions of this Code.

2. Duties

2.1 Governors owe a fiduciary duty to the Institute and will act in good faith and in its best interests. Each Governor should act honestly, diligently and independently (subject to the provisions in paragraph 2.5 of this Code relating to collective responsibility). The actions of Governors should support the aims and objectives of the Institute, promote and protect its good reputation and the trust and confidence of those with whom it deals.

- 2.2** Decisions taken by Governors at meetings of the Governing Body and its committees must always be for the benefit of the Institute, its students and staff and other users of The City Lit. Decisions must not be taken for any personal motive and must be taken with a view to safeguarding public funds. Accordingly, Governors must not be bound in their speaking and voting by mandates given to them by other bodies or persons.
- 2.3** Governors must work co-operatively with other governors in the best interests of the Institute.
- 2.4** Governors should acknowledge that differences of opinion may arise in discussion of issues, but when a majority decision of the Governing Body prevails, members have a duty to stand by it, whether or not he or she was present at the meeting of the Governing Body when the decision was taken.
- 2.5** Governors must comply with current legislation and should at all times respect and act within the spirit of the Institute's policies and procedure. A list of Directors' Duties under the Companies Act 2006 is given in Appendix 2.
- 2.6** Governors should acknowledge that they have no legal authority outside the meetings of the Governing Body and its committees, except by express agreement of the governing body or its committees.
- 2.7** Governors should not make statements to the press or media or at any public meeting relating to the proceedings of the Governing Body or its committees without first having obtained the approval of the Chairman, or in his or her absence, the Deputy Chairman. It is unethical for Governors publicly to criticise, canvass or reveal the views of other Governors that have been expressed at meetings of the Governing Body or its committees.

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- 2.8** Governors must not receive gifts, hospitality or benefits of any kind from a third party that might be seen to compromise their personal judgement or integrity. Any offer or receipt of such gifts, hospitality or benefits should be immediately reported to the Clerk.
- 2.9** Governors must declare openly and immediately any personal or financial conflict of interests arising from a matter before the governors or from any other aspect of governorship. He or she should withdraw from that part of the meeting at which the matter giving rise to the interest is considered, and on no account may vote in relation to the matter.
- 2.10** Governors must keep confidential any matter which, by reason of its nature, the Governing Body, the Chairman or any committee of the Governing Body has agreed should be dealt with on a confidential basis.
- 2.11** Governors should give priority, as far as practicable, to attendance at meetings of the Governing Body and its Committees and endeavour to meet the attendance targets set by the Governing Body.
- 2.12** Governors should have regard to the different, but complementary, responsibilities given to the Principal as the Institute's Chief Executive. Whereas it is the Governing Body's function to decide strategic policy and overall direction and to monitor the performance of the Principal and any other senior postholders, it is the Chief Executive's role to implement the Governing Body's decisions, and to manage the Institute's affairs within the budgets and framework fixed by the Governing Body. Governors should work together so that the Governing Body and the Chief Executive perform their respective roles effectively.

- 2.13** Governors must take or seek opportunities to enhance his or her effectiveness as a governor through participation in training and development programmes or by increasing his or her own knowledge of the Institute. The Governing Body will carry out an annual review of the performance of its duties and responsibilities as part of a continuing and critical process of self-evaluation.
- 2.14** Governors must familiarise themselves with the Institute's Memorandum and Articles of Association and satisfy themselves that each course of action is taken in accordance with them or other associated regulations.
- 2.15** A complaint against the Governing Body or an individual member of the Board should be addressed to the Clerk to the Governors who will deal with the matter as appropriate. The response to such a complaint will include details of the arrangements for pursuing the matter with an independent body.

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APPENDIX 1

NOLAN COMMITTEE SECOND REPORT

The Seven Principles of 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 family or their friends.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in their performance of their official duties.

Objectivity

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards 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 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.

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Appendix 2

The governors shall at all times ensure they comply with the provisions of the Act, including the provisions regulating their capacity as directors of the Institute which are set out in sections 171 to 176 of the Companies Act 2006 as follows:

- (i) The duty to act within their powers including acting in accordance with the Institute's constitution and only exercising their powers for the purposes for which they are conferred.
- (ii) The duty to act in the way they consider, in good faith, would be most likely to promote the success of the Institute in accordance with its objects, and in doing so have regard (amongst other matters) to: the likely consequences of any decision in the long term; the interests of the Institute's employees; the need to foster the Institute's business relationships with suppliers, customers and others; the impact of the Institute's operations on the community and the environment; the desirability of the Institute maintaining a reputation for high standards of business conduct; and the need to act fairly as between members.
- (iii) The duty, where applicable, to consider or act in the interests of creditors of the Institute.
- (iv) The duty to exercise independent judgment.
- (v) The duty to exercise reasonable care, skill and diligence being the care, skill and diligence that would be exercised by a reasonably diligent person with: the general knowledge, skill and experience that may reasonably be expected of a person carrying out their functions in relation to the Institute; and the general knowledge, skill and experience that they have.

- (vi) The duty to avoid a situation in which they have, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Institute.
- (vii) The duty not to accept benefits from third parties conferred by reason of their being a governor, or their doing (or not doing) anything as governor.