

## **1 Introduction**

The principles set out in this Code should apply to all Council and Committee members.

This Code of Conduct was approved by the Council in **May 2013**. It is based on the Guidance on Codes of Conduct for Board Members of Public Bodies published by the Cabinet Office in June 2011.

## **2 Relationship with the sponsor department**

The Minister of the Welsh Government sponsor department (the Minister) is answerable to the National Assembly for Wales for the policies and performance of public bodies sponsored by the department, including their use of resources and the policy framework within which they operate. The respective roles of the Welsh Government sponsor department and the Council are set out in *WGSB: Framework: HEFCW* specifying the terms on which the Council receives and spends funds provided by the Minister.

## **3 Key principles of public life**

- 3.1 The key principles upon which this Code of Conduct is based are the Seven Principles of Public Life. (*Standards in Public Life: First Report of the Committee on Standards in Public Life*. Volume 1: Report. CM 2850-I.)

These are:

### **Selflessness**

You should take decisions solely in terms of the public interest. You should not do so in order to gain financial or other material benefits for yourself, your family or your friends.

### **Integrity**

You should not place yourself under any financial or other obligation to outside individuals or organisations that might, or might be perceived to, influence you in the performance of your official duties.

### **Objectivity**

In carrying out public business, including awarding contracts and recommending individuals for rewards and benefits, you should make choices on merit.

### **Accountability**

You are accountable for your decisions and actions to the public and must submit yourself to whatever scrutiny is appropriate for your office

### **Openness**

You should be as open as possible about the decisions and actions that you take. You should give reasons for your decisions and restrict information only when the wider public interest clearly demands.

### **Honesty**

You have a duty to declare any private interests relating to your public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

### **Leadership**

You should promote and support these principles by leadership and example.

- 3.2 These principles should inform your actions and decisions as a Council/Committee member.

## **4 General conduct**

### **Use of Public Funds**

- 4.1 You have a duty to ensure the safeguarding of public funds<sup>1</sup> and the proper custody of assets which have been publicly funded. This means that the public funds and assets in the Council's control must be used economically, effectively and efficiently and in accordance with the law (and achieve value for money). Proper care should be taken to protect against fraud and theft and the improper or irregular use of funds.
- 4.2 This should be taken to include all forms of receipts from fees, charges and other sources.
- 4.3 You must carry out your fiduciary obligations responsibly – that is, take appropriate measures to ensure that the Council uses resources efficiently, economically and effectively, avoiding waste and extravagance. It will always be an improper use of public funds for public bodies to employ consultants or other companies to lobby Parliament, Government or political parties.

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<sup>1</sup> This should be taken to include all forms of receipts from fees, charges and other sources.

## **Allowances**

- 4.4 You must comply with the rules set by the Council and HEFCW regarding remuneration, allowances and expenses. It is your responsibility to ensure compliance with all relevant HM Revenue and Customs' requirements concerning payments, including expenses.

## **Gifts and Hospitality** (see Appendix for further details)

- 4.5 Gifts should be declined wherever possible, and any offers should be reported to the Chief Executive of HEFCW. You must not accept any gifts or hospitality which might, or might reasonably appear to, compromise your personal judgement or integrity or to influence you to show favour or disfavour to any person or organisation.
- 4.6 You must never canvass or seek gifts or hospitality.
- 4.7 You must comply with the rules set by HEFCW on the acceptance of gifts and hospitality. Where it would be ungracious or otherwise difficult not to accept, you should inform the Chief Executive of the gift, the estimated value and the donor. You must take personal responsibility to ensure that a record is placed in the hospitality register of the Council. Similarly, care should be taken that no extravagance is involved with working lunches and other social occasions.
- 4.8 You are responsible for your decisions on the acceptance of gifts or hospitality and for ensuring that any gifts or hospitality accepted can stand up to public scrutiny and do not bring the Council into disrepute.

## **Use of Official Resources**

- 4.9 You must not misuse official resources <sup>2</sup> for personal gain or for political purposes. Use of such resources must be in line with the body's rules on their usage.

## **Use of Official Information**

- 4.10 You must not misuse information gained in the course of your public service for personal gain or for political purpose. <sup>3</sup>

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<sup>2</sup> This includes facilities, equipment, stationery, telephony and other services.

<sup>3</sup> Members who misuse information gained by virtue of their position may be liable for breach of confidence under common law or may commit a criminal offence under insider dealing legislation.

- 4.11 Council/Committee members who misuse information gained by virtue of their position may be liable for breach of confidence under common law or may commit a criminal offence under insider dealing legislation
- 4.12 The provisions of the Official Secrets Acts 1911 to 1989 apply to members of the Council. Unauthorised disclosure of any information gained in the course of appointment to Council, or its use by you or others for personal gain or advancement, could result in termination of appointment, or even criminal prosecution. You must not disclose any information which is confidential in nature or which is provided in confidence without authority. This duty continues to apply after you have left the Council/Committee.
- 4.13 Respect the confidentiality of Council/Committee papers until they have been received by the Council/Committee and subsequently published (i.e. by release after the meeting or on the HEFCW website).

### **Political Activity**

- 4.14 In your public role, you should be, and be seen to be, politically impartial. You should not occupy a paid party political post or hold a particularly sensitive or high-profile role in a political party. You should abstain from all controversial political activity and comply with Cabinet Office rules on attendance at Party Conferences<sup>4</sup>.
- 4.15 On matters directly related to the work of the body, you should not make political statements or engage in any other political activity.
- 4.16 In your official capacity, you should be even-handed in all dealings with political parties.
- 4.17 Subject to the above, you may engage in political activity but should, at all times, remain conscious of your responsibilities as a Council/committee member and exercise proper discretion. You are expected to inform the Chairman and the Welsh Government if you intend to accept a prominent position in any political party, and understand that your appointment to the Council may be terminated early if it is felt that the positions are incompatible. If at any time during your term of office, you accept a nomination for election to the House of Commons, European Parliament or National Assembly for Wales, you will need to resign your appointment.

### **Employment and Appointments**

- 4.18 If you wish to take up new employment or appointments during your term of office, you must inform the Chairman and/or the relevant sponsor Department.

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[www.cabinetoffice.gov.uk/content/public-bodies-and-appointments](http://www.cabinetoffice.gov.uk/content/public-bodies-and-appointments)

## **5 Responsibilities of individual Council/Committee members**

- 5.1 You should play a full and active role in the work of the body. You should fulfil your duties and responsibilities responsibly and, at all times, act in good faith and in the best interests of the body.
- 5.2 You should deal with the public and their affairs fairly, efficiently, promptly, effectively and sensitively, to the best of your ability. You must not act in a way that unjustifiably favours or discriminates against particular individuals or interests.
- 5.3 You must comply with any statutory or administrative requirements relating to your post.
- 5.4 You should respect the principle of collective decision-making and corporate responsibility. This means that, once the Council/Committee has made a decision, you should support that decision.
- 5.5 You must not use, or attempt to use, the opportunity of public service to promote your personal interests or those of any connected person, firm, business or other organisation.
- 5.6 Communications between the Council and the Minister will normally be through the Chairman except where the Council has agreed that an individual Member should act on its behalf. Nevertheless, an individual Member has the right of access to Welsh Government Ministers on any matter which he or she believes raises important issues relating to his or her duties as a Member of the Council. In such cases the agreement of the rest of the Council should normally be sought. Initially Council Members should discuss their issues with the Chairman and if still dissatisfied (or if the issues relate to or involve the Chairman) then with the Director of the Welsh Government sponsor department and through them to the Permanent Secretary to the Welsh Government and Minister if necessary. If the Council member wishes to take the matter to the Minister, the sponsor department should ensure that this opportunity is made available to the Council member. The main point of contact between HEFCW and the sponsor department on day-to-day matters will normally be the Chief Executive or another member of staff who is authorised to act on behalf of the Council.
- 5.7 Council Members are expected to attend the meetings regularly. A Member's appointment may be terminated, without notice, if attendance becomes infrequent.

## **6 Responsibilities towards employees**

- 6.1 You will treat any staff employed by HEFCW with courtesy and respect. It is expected that employees will show you the same consideration in return.
- 6.2 You will not ask or encourage employees to act in any way which would conflict with their own Code of Conduct.

## **7 Members' interests (See Appendix for further information)**

- 7.1 You must ensure that no conflict arises, or could reasonably be perceived to arise, between your public duties and your private interests – financial or otherwise.
- 7.2 You must comply with HEFCW's rules on handling conflicts of interests. As a minimum, these will require you to declare publicly any personal or business interests which may, or may be perceived to, conflict with your public duties<sup>5</sup>. The rules will also require you to remove yourself from the discussion or determination of matters in which you have a financial interest. In matters in which you have a non-financial interest, you should not participate in the discussion or determination of a matter where the interest might suggest a danger of bias<sup>6</sup>.
- 7.3 It is your responsibility to ensure that you are familiar with HEFCW's rules on handling conflicts of interests, that you comply with these rules and that your entry in the HEFCW's register of members' interests is accurate and up-to-date.

## **8 Personal liability of Council members**

- 8.1 Although any legal proceedings initiated by a third party are likely to be brought against the Council, in exceptional cases proceedings (civil or, in certain cases, criminal) may be brought against the Chairman or other individual Council Members. For example, a Council Member may be personally liable if he or she makes a fraudulent or negligent statement which results in loss to a third party. A Council Member who misuses information gained by virtue of his or her position may be liable for breach of confidence under common law or may commit a criminal offence under insider dealing legislation.
- 8.2 However, individual Council Members who act honestly, reasonably, in good faith and without negligence will not have to meet out of their own personal resources any personal civil liability which is incurred in execution or purported execution of their Council functions.

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<sup>5</sup> In general, all financial interests should be declared. When considering what non-financial interests should be declared, you should ask yourself whether a member of the public, acting reasonably, would consider that the interest in question might influence your words, actions or decisions.

<sup>6</sup> These are common law provisions.

- 8.3 Council Members who want further advice in the furtherance of their duties may, where appropriate, consult the Council's legal advisers on condition that the Chairman or Chief Executive is consulted beforehand.

## **Appendix**

### **Rules of Personal Conduct for Members of Council/Committees of HEFCW**

#### **Communications**

- 1 Individual Members of Council should not put themselves in the position of seeming to act as spokesman for the Council without prior approval from the Chairman.

#### **Conflicts of interest**

- 2 It is essential that members of Council/Committees avoid, as far as is reasonably possible, a position of conflict of interests. In situations where a possible conflict of interest may arise, Members must inform the Chief Executive and in the event of the conflict of interests touching on matters which are the subject of Council business, they must inform the Chairman. The onus is on the Member to inform the Chief Executive or Chairman as the case may be.
- 3 In the event of the Council/Committee debating an issue involving an institution, organisation or any other matter in which a Member may be taken to have an interest, that member must declare it to the Chairman and should leave the meeting for the duration of the debate if so requested by the Chairman. In deciding this the Chairman will have regard to the need to ensure that the continued presence of the member during the debate is one which could easily and reasonably be explained to the satisfaction of members of the public.
- 4 The Council Secretary will be responsible for maintaining a register of interests of members of Council/Committees. This register of interests is updated annually and is available to the public via publication on the HEFCW website. The onus is on each Member to ensure that the Council Secretary is informed of any additional interest acquired during the year which might result in a further conflict.
- 5 In the event of a Member failing to declare an interest or failing properly to complete the register of interests, the Chairman will be responsible for discussing with the sponsor department in the Welsh Government whether that Member should continue in office.
- 6 Members must abide by the Policy for travel and subsistence claims. Copies of these rules and forms are provided to Members of Council/Committees.

#### **Council members**

- 7 The Chairman and other Council Members should declare by registering with the Council Secretary details of any personal or business interests which may conflict with their responsibilities as Council members. The

Council, in consultation with its sponsor department, will keep under review the rules of the Code of Practice for Council Members to ensure that such conflicts are identified at an early stage and that appropriate action can be taken to resolve them.

- 8 The rules include the keeping of a register of interests appropriate to the Council's activities. The register should, as a minimum, list direct or indirect pecuniary interests which members of the public might reasonably think could influence judgement. The register of interests should also include non-pecuniary interests of Council Members which relate closely to the Council's activities, and interests of close family members and persons living in the same household as the Council Member which are closely related to the activities of the Council <sup>7</sup>.
- 9 In the absence of specific statutory provisions, the common law requires:
- that members of the public bodies should not participate in the discussion or determination of matters in which they have a direct pecuniary interest; and
  - that when an interest is not of a pecuniary kind, members of public bodies should consider whether participation in the discussion or determination of a matter would suggest a real danger of bias. This should be interpreted in the sense that Council Members might unfairly regard with favour, or disfavour, the case of a party to the matter under consideration. In considering whether a real danger of bias exists in relation to a particular decision, members should assess whether they, a close family member, a person living in the same household as the Council Member, or a firm, business or other organisation with which the Council Member is connected are likely to be affected by the decision in question. This would cover, for example, a decision to invite tenders for a contract where a firm with which a member was connected was significantly better placed than others to win it.

For the avoidance of doubt, this paragraph does not preclude the Council from deciding to issue an indemnity in accordance with the terms.

- 10 Where, in accordance with the above, Council Members do not participate in the discussion or determination of a matter, they should normally withdraw from the meeting. This is because the continued presence of someone who had declared an interest might be thought likely to influence the judgement of the other Council Members present.

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<sup>7</sup> Indirect pecuniary interests arise from connections with bodies which have a direct pecuniary interest or from being a business partner of, or being employed by, a person with such an interest. Non-pecuniary interests include those arising from membership of clubs and other organisations. Close family members include personal partners, parents, children (adult and minor), brothers, sisters and the personal partners of any of these.

- 11 The Council should obtain legal advice on the effect of any specific statutory provisions applying to them. In cases where Council Members are authorised by law to represent a group likely to be affected by the Council's decisions, the relevant statutory framework may permit Council Members to be involved, notwithstanding any direct pecuniary interest that they may have in the decision. However, the Council should not overlook the possibility that specific statutory provisions may impose restrictions that are stricter than those described in paragraph 9 for interests that are not of a pecuniary kind.
- 12 Whether or not Council Members are able in the light of the considerations above to participate in the discussion or determination of a matter, they should declare as soon as practicable after a meeting begins if they have an interest, pecuniary or other, in a matter being considered. They should also disclose any interests in it of which they are aware on the part of close family members<sup>8</sup> and persons living in the same household as the Council Member. In addition, Council Members should consider whether they need to disclose relevant interests of other persons or organisations which members of the public might reasonably think could influence the Council Member's judgement.
- 13 Because the Council is required, other than exceptionally, to follow generally accepted accounting practice, Council Members must facilitate compliance with the need under Financial Reporting Standard 8 for material transactions with related parties to be disclosed in financial statements. "Related parties" in FRS 8 include (in addition to business contacts) close members of the family of an individual, who are defined for the purposes of the standard as those family members, or members of the same household, who may be expected to influence, or be influenced by, that person in their dealings with the reporting entity.
- 14 The Council should adopt safeguards to prevent conflicts of interests arising from the acceptance of outside appointments during or after tenure as a Council Member, taking account of guidance from the sponsor department.

### **Acceptance of Gifts, Hospitality and Awards**

- 15 The Council is responsible for allocating significant sums of public money.
- 16 Council Members must not receive any gift, hospitality or benefit of any kind which might be seen to compromise their personal judgement or integrity, or to influence them to show favour or disfavour to any person or organisation. Nor should Members leave themselves open to the accusation that they might have been so influenced. It is imperative that Council/Committee Members should maintain high standards of propriety and professionalism if they are offered gifts, hospitality or awards.

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<sup>8</sup> See footnote 7

- 17 Some Members may spend time with representatives of institutions and other organisations where it is normal business practice or social convention to offer gifts, hospitality or awards. Offers of this kind can place members in a difficult position since to refuse may cause misunderstanding or offence; but to accept may give rise to questions of impropriety or conflict of interest, or to criminal liability.
- 18 Council/Committee Members may not accept any benefit as an inducement or reward either for:
- a. taking any action (or specifically not taking action) in his or her official capacity as a Council/Committee Member.
  - b. showing favour (or disfavour) to anyone in his or her official capacity as a Council/Committee Member
- 19 The guiding principles are:
- a. The conduct of individuals must not create suspicion of any conflict between their official duty and their private interest.
  - b. The actions of individuals in their official capacity must not give the impression (to any member of the public, to any organisation with whom they deal or to their colleagues) that they have been (or may have been) influenced by a benefit to show favour or disfavour to any person or organisation.

## **Gifts**

- 20 Gifts other than of token value should generally be refused or avoided. Where it would be ungracious or otherwise difficult not to accept, you should inform the Chief Executive of the gift, the estimated value and the donor. Council/Committee Members should register any gift whose value is estimated to exceed £10.00. The Member should also have regard to whether a gift, or the circumstances in which it is offered, are appropriate. The yardstick for appropriateness is the risk of embarrassment to, or loss of public confidence in, either the member or HEFCW.
- 21 If Members have any doubts about whether a gift should be refused (it is accepted, for example, that refusal of a gift may cause offence), they should consult the Chief Executive who at his discretion may discuss the matter with the Chairman.
- 22 If the Chief Executive considers that a gift cannot be used to support the Council's business, he may authorise retention of the gift by the Council/Committee Member. Alternatively, if the Member does not wish to retain the gift, then arrangements may be made for the gift to be stored until disposal, for example for charity.
- 23 Members should record any gifts whether given or offered, or whether refused or accepted, in the central register held by the Council Secretary,

who will also register whether a gift has been accepted, registered, refused or disposed of. Any Member with a query about the contents of the register should direct it to the Council Secretary.

## **Hospitality**

- 24 It is accepted that Council may receive hospitality from the head or senior members of an institution; that they may attend as part of their official HEFCW function an event organised by another body for promotional or influential purpose; that they may sometimes be offered a nominal fee for presenting a paper or speech at a conference; and may receive the occasional invitation to a cultural event. The normal level of hospitality may include alcoholic drinks at, say, an official reception or working dinner.
- 25 Offers of hospitality that exceed the normal level described above should in general be refused. The following items should be avoided:
- a. Hospitality offered instead of fees for broadcasts, speeches, lectures or other work done.
  - b. Inducements which could lead to a contractual relationship between the Council and a supplier or consultant.
  - c. Substantial offers of social functions, travel or accommodation.
  - d. Acceptance of meals, tickets and invitations to sporting, cultural or social events, particularly from the same source.
- 26 If members have any doubt about whether to accept hospitality they should refer the matter to the Chief Executive, who in turn may discuss it with the Chairman.
- 27 If, exceptionally, the Chief Executive agrees that the circumstances justify the normal level of hospitality being exceeded, this will be recorded in the central register.

## **Awards and Prizes**

- 28 Council/Committee Members should consult the Chief Executive if they are approached by an outside organisation offering an award or prize which could in any way be seen to be connected with their role as Members. Retention of the award or prize will normally be allowed, provided that:
- a. It is offered in recognition of personal achievement.
  - b. It is not a gift (see above).
- 29 In deciding whether the award would give rise to public criticism that it was in fact a gift, members are advised to consider:

- a. The status of the awarding body - for example, whether it is a registered charity, a funded HEI or a related body.
- b. The regularity and nature of the awards made by the body.
- c. The range of people or bodies to whom the awards are given.
- d. The method of selection.
- e. The standing of the selectors.
- f. Actual or potential Council dealings with the awarding body.

These provisions do not apply to the acceptance of Honours.