

By email: uk_cuccodeconsultation@pwc.com

10th May 2026

Dear Sir / Madam

CUC Code of Governance 2026 – Draft for public comment

Thank you for the opportunity to comment on the draft CUC Code of Governance 2026 (the draft Code).

The Chartered Governance Institute is the professional body for governance and the qualifying and membership body for governance professionals across all sectors. Its purpose under Royal Charter is to lead effective governance and efficient administration of commerce, industry, and public affairs working with regulators and policymakers to champion high standards of governance and providing qualifications, training, and guidance. As a lifelong learning partner, the Institute helps governance professionals achieve their professional goals, providing recognition, community, and the voice of its membership.

One of nine divisions of the global Chartered Governance Institute, which was established 135 years ago, The Chartered Governance Institute UK & Ireland represents members working and studying in the UK and Ireland and many other countries and regions including the Caribbean, parts of Africa and the Middle East.

As the professional body that qualifies Chartered Secretaries and Chartered Governance Professionals, our members have a uniquely privileged role in organisations' governance arrangements. They are therefore well placed to understand the issues raised by the draft Code. In preparing our response we have consulted, amongst others, with our members. However, the views expressed in this response are not necessarily those of any individual members, nor of the companies they represent.

Our views on the draft Code are set out below.

General comments

The Institute supports the overall direction of the draft Code and welcomes the opportunity to respond to the consultation.

The draft Code represents a substantive step forward in strengthening governance across the higher education sector. The decision to redesign the draft Code from first principles, rather than make incremental revisions to the 2020 version, is well founded in light of the increasingly complex and high-risk operating environment.

However, the draft Code also raises expectations of governing bodies to a significant degree. The Institute considers that, without further refinement, there is a material risk that the framework will:

- be applied unevenly across the sector
- prove difficult to operationalise in practice
- lack alignment with established academic governance arrangements

The Institute considers the following issues important to think about addressing before the Code is finalised.

Clarifying the boundary between Board authority and academic governance

The draft Code strengthens the Board's responsibility for academic assurance and places ultimate accountability for academic governance with the Board. This approach is appropriate in principle. However, the current drafting does not provide sufficient clarity on how Boards should exercise this responsibility or where the boundary lies between assurance and academic decision-making.

This creates a material risk that Boards may be drawn into matters that require academic expertise, that the authority of Academic Boards or Senates may be weakened in practice, and that governance arrangements may become less effective rather than more so.

➤ Recommendations

The Code should:

- explicitly reaffirm the principle of academic subsidiarity
- define clearly that Boards obtain assurance through, rather than in place of, academic governance structures
- include worked examples of effective interaction between governing bodies and Academic Boards or Senates

Ensuring proportionality and feasibility across a diverse sector

The cumulative effect of the provisions creates a governance model that assumes high levels of Board capacity and technical expertise, extensive data, reporting and assurance infrastructure, and a significant time commitment from non-executive members.

While this may be achievable for larger institutions, it will be materially more challenging for smaller and specialist providers, as well as for institutions with more limited governance support structures.



Without clearer articulation of proportionality, there is a risk that compliance becomes formalistic and that governance effort is diverted from strategic priorities.

➤ **Recommendations**

The Code should:

- provide clearer guidance on proportionate application, linked to institutional size, complexity and risk profile,
- distinguish more explicitly between minimum baseline expectations (“must”), and enhanced practices (“should”) in mature governance systems.

Strengthening the practicality of the “apply or explain” model

The draft Code relies on an “apply or explain” approach for “should” provisions. This approach is appropriate. However, the current drafting does not provide sufficient clarity to support consistent application in practice.

In practice, the quality of explanations is likely to vary significantly, and regulators and stakeholders may interpret deviations in different ways. This creates a risk that the approach becomes either ineffective or, conversely, applied too rigidly in practice.

➤ **Recommendation**

CUC should publish clear expectations for high-quality explanations, such as illustrative examples of acceptable divergence or guidance on how explanations should link back to the underlying Principle.

Governance culture

The Code is right to position culture as central to governance effectiveness. However, the current draft does not provide sufficient clarity on how Boards should assess culture or what evidence constitutes effective oversight.

➤ **Recommendations**

Supporting guidance should set out practical approaches, including:

- structured Board effectiveness reviews focused on behaviours,
- triangulation of evidence (e.g. surveys, independent observation, stakeholder feedback),
- clear escalation routes where cultural issues arise.

Board engagement and risk of overreach

The draft Code significantly increases expectations of Board engagement across strategy development, risk analysis and academic assurance. While these expectations are appropriate, they create a risk that Boards may become overly involved in operational matters, that executive accountability may be diluted, and that decision-making may slow down as a result.



➤ Recommendation

The Code should more consistently reinforce: the distinction between constructive challenge and operational involvement and the importance of maintaining executive accountability for delivery.

Board capability and recruitment constraints

The draft Code assumes a Board with the financial, academic and risk literacy required to engage effectively in complex assurance discussions. In practice, institutions face constraints in recruiting suitably skilled independent members, alongside competing expectations to promote diversity and inclusion in Board composition.

➤ Recommendations

- The Code and supporting guidance should explicitly recognise these constraints and encourage the use of targeted training and external expertise where appropriate.
- It would also be appropriate to provide guidance on how to maintain the right balance on both capability and diversity.
- We believe that the draft Code significantly underplays the independent advisory role of the University Secretary or other governance professional. It is good that provision 3 mandates this critical position, but the Code should include greater recognition of the University Secretary's contribution to institutional culture and Board effectiveness. Section 5.1 of the 2020 Code addressed this issue in some detail and the draft Code would be improved by reinstating this wording:

“The Secretary (or Clerk) is responsible to the governing body for the provision of operational and legal advice in relation to compliance with governing instruments, including standing orders. They are also responsible for ensuring information provided to the governing body is timely, appropriate and enables informed decision making. The Secretary has a duty to keep governing body members briefed in respect of all relevant developments in governance and accountability. All members of the governing body should have independent access to the advice and services of the Secretary, who must ensure that governing body members are fully aware of the appropriate rules, regulations and procedures. The Secretary should be senior enough to ensure the governing body and the Executive acts in a way which is compliant with the institution's regulations and is independent enough to provide challenge when this is not the case. Arrangements for the appointment or removal of the Secretary may be defined by governing instruments; where they are not, it must be a decision for the governing body as a whole.”
- The only point that we would add to this is that the pay and conditions of the Secretary should also be a matter for the Remuneration Committee and/or the governing body as a whole. This is critical to maintain the independence of the Board's principal independent adviser – it is very difficult to challenge advice that the Board is receiving from an executive if that individual is solely responsible for your pay and rations.



Alignment with regulatory expectations

The Code operates alongside an increasingly complex compliance landscape, including requirements from regulators such as the Office for Students. This creates a risk of duplication in assurance processes, inconsistency between the expectations of the Code and those of regulatory frameworks, and an overall increase in administrative burden for institutions.

➤ Recommendation

The Code should articulate more clearly how it aligns with regulatory expectations and seeks, where possible, convergence or mutual recognition of assurance mechanisms.

Implementation and Phasing

The scale of change implied by the draft Code should not be underestimated. Many institutions will need to strengthen their governance infrastructure, enhance Board development, and redesign reporting and assurance frameworks.

➤ Recommendation

CUC should adopt a phased approach to implementation, provide detailed supporting guidance, templates and case studies, and commit to an early review of how the Code operates in practice.

To conclude, the draft Code represents a significant and necessary evolution in higher education governance. It moves the sector towards a model that is more strategically engaged, more risk-aware, and more transparent and accountable.

At the same time, it introduces a more formalised and demanding governance framework, with clear implications for academic autonomy, Board capability and institutional capacity. The effectiveness of the Code will depend not only on its content, but on the clarity of expectations it establishes, the extent to which it supports proportionate application across a diverse sector, and the availability of practical guidance to enable consistent implementation.

The Institute supports the adoption of the revised Code, subject to targeted refinement. In particular, the final Code should clarify the boundary between Board oversight and academic governance, provide stronger guidance on proportionality, strengthen the operation of the “apply or explain” approach, strengthen the role of the University Secretary or governance professional and support practical implementation, particularly in relation to culture and assurance.

With these adjustments, the Code will provide a robust, credible and implementable framework capable of strengthening governance across a diverse and evolving higher education sector.

If you would like to discuss any of the above comments in further detail, please do feel free to contact the Institute’s Policy Team at policy@cgi.org.uk

Yours faithfully,

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The Chartered Governance Institute UK & Ireland

