


Another reminder of the importance of university governance:

## The OfS agrees a settlement with Leeds Trinity University

30 May 2025  Nathalie Jacoby-Danesh and Kate Gallagher

About two months ago, the Office for Students issued its first monetary penalty against a registered provider for non-compliance with two general conditions of registration, E1 (public interest governance) and E2 (management and governance). You can read our views on this matter here: [Improving University Governance: Lessons learnt](#). Recently the OfS announced that it had reached a settlement with Leeds Trinity University over its breach of condition E2 in relation to its arrangements regarding subcontractual (or franchised) courses in collaboration with partners.

Under the terms of the settlement (as published [here](#)), the University has accepted that it breached OfS general ongoing condition E2 (management and governance) and that it is at an increased risk of breaching conditions B4 (Assessment and awards) and B2 (Resources, support and student engagement).

The regulator reached this settlement with the University following an investigation into the University's subcontractual arrangements. OfS concluded that "the university did not have effective arrangements in place to consider and appropriately respond to risks associated with its subcontractual partnerships" and that the lack of clear escalation routes to the University's governing body prevented effective oversight of a significant part of the University's business.

The case specific findings of the OfS are set out in the [regulatory case report](#).

There are various takeaways from this matter, some of a more generic nature, some more specific to the context of franchising partnerships.

1. **Governance matters:** the OfS clearly considers the enforcement of the ongoing governance conditions as a very useful tool in its arsenal to ensure not only sound university governance but also compliance with other requirements, such as quality assurance and freedom of speech.
2. **Governing body responsibility:** The governing body remains responsible for all operations of the institution. Reporting and escalation procedures need to ensure that the governing body can properly exercise its functions with regard to setting and overseeing the implementation of the institution's strategy and oversight of its business. You can read more about compliance with governance condition E2 in our [earlier publication](#).
3. **Diversification of income streams:** over-reliance by an institution on one source of income is risky.
4. **Planning is key:** the rapid growth of activities or expansion of certain operations needs to be supported by appropriate policies and procedures.
5. **Risks** associated with expanding/new operations need to be properly evaluated from the outset and kept under review, so that mitigating measures can be applied at the various stages.
6. **Staff** need to be suitably qualified, experienced, trained and supported to carry out their functions.
7. **Procedures and policies for the escalation of staff concerns** need to be reviewed and applied consistently to ensure that concerns can be dealt with or escalated, and systemic issues are identified and addressed as needed.
8. **Franchising arrangements:** OfS continues to take the regulation of subcontractual provision very seriously. Providers can remind themselves of [OfS's expectations here](#).

If you would like to discuss how your institution can strengthen its governance arrangements in general and/or review its collaborative provision with partner institutions, at home or abroad, please contact us.

## Contact



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