

London School of Economics and Political Science**Scheme of Delegated Legal Authority****Introduction**

1. This Scheme of Delegated Legal Authority ('the Scheme') sets out the authority that Council has delegated to:

- 1.1. Senior administrative officers to approve and sign legal documents on behalf of the School; and
- 1.2. Council members and the School Secretary to execute deeds and other legal documents.

2. This Scheme is intended to act as a single point of reference in the School for delegated legal authority. It therefore supersedes any other relevant scheme/s or relevant parts of any other scheme/s.

Definitions

3. For the purpose of this Scheme:

- 3.1. 'Approve' includes the responsibility for ensuring appropriate checks and due diligence of a legal document has been carried-out.
- 3.2. 'Council Member' fulfils the role of Company Director under the Companies Act 2006.
- 3.3. 'Legal Document' means any document, informal or formal, that sets out the terms of a relationship between the School and one or more parties that could be recognised, in whole or in part, as a legally binding relationship. For the purposes of this Scheme, a Memorandum of Understanding, regardless of whether it is legally binding, is included in this definition.
- 3.4. 'School' means the London School of Economics and Political Science (70527).
- 3.5. 'School Secretary' fulfils the role of Company Secretary under the Companies Act 2006.
- 3.6. 'Senior Manager' means the School's:
 - Pro-Director for Planning and Resources
 - Pro-Director for Research
 - Pro-Director for Teaching and Learning
 - Pro-Director for Faculty Development
 - Chief Financial Officer
 - Chief Operating Officer

- Director of Research Division

Attachments

4. The following documents (*not attached*), which the School Secretary ('the Secretary') may change according to day-to-day circumstances, form part of, this Scheme:-

- Schematic diagram of delegated legal authority.
- List of administrative officers who may instruct the School's solicitors.

Delegated Authority to Sign Legal Documents

5. The responsibilities of Council, as the School's governing body under the Charities Act 1993 and Companies Act 1985, are set out in its Terms of Reference and Standing Orders. While ultimately remaining responsible for the academic and administrative business of the School, Council has, for reasons of practicality, decided to delegate authority to:

- 5.1. The Director and Secretary to delegate authority to members of the administrative staff, in addition to those already authorised under this Scheme, to sign Legal Documents on behalf of the School. The Director and Secretary may delegate this authority as individuals or as a collective, but always on the condition that:
 - 5.1.1. The extent and reason/s for the delegation are recorded in writing and sent to the Secretary; and
 - 5.1.2. Council is made aware of the extent and reason/s for the delegation as soon as is reasonably practicable after the delegation has taken place.
- 5.2 The Director and Secretary to individually approve and sign all Legal Documents on behalf of the School provided that:
 - 5.2.1. A risk assessment of each contract, or where applicable, the template of a repeatedly used contract, is completed before the contract is approved and signed. The completed risk assessment along with the relevant signed contract/s must be sent to the Secretary, and if the business concerns the purchase of goods or services, the Purchasing Department; and
 - 5.2.2. Before approval and signing takes place, the Director of Finance must be notified of any Legal Document that involves income or expenditure exceeding £500,000 or any contingent liabilities that may need to be recorded in the School's annual accounts.
- 5.3. Senior Managers to individually approve and sign Legal Documents on behalf of the School provided that:

- 5.3.1. The business to which the Legal Document applies falls directly under the Senior Manager's area of responsibility;
 - 5.3.2. A risk assessment of each contract, or where applicable, the template of a regularly used contract is completed before the contract is approved and signed. The Senior Manager must record the completed risk assessment along with the relevant contract/s; and
 - 5.3.3. Before approval and signing takes place, the Director of Finance is informed of any Legal Document that involves income or expenditure exceeding £500,000 or any contingent liabilities that may need to be recorded in the School's annual accounts.
6. Council has decided that the Director or Secretary must approve and sign all Legal Documents that fall:
- 6.1. Directly under a Senior Manager's area of responsibility when the Senior Manager is unable to approve and sign the Legal Document; and
 - 6.2. Outside of a Senior Manager's area of direct responsibility.
7. The Director of Human Resources or the Director of the School (or the Director's delegate) must sign letters of appointment that include the School's terms and Conditions of employment.

Executing Deeds and Use of the School Seal

8. It is sometimes desirable, and sometimes required by law, to execute a Legal Document as a Deed. A Legal Document must make clear on its face if it is intended to be a Deed. Use of the School's Seal ('the Seal') is not necessary to execute a Deed, but it may sometimes be desired by one or more of the contracting parties. To ensure the school is compliant with the Companies Act 2006 when it does execute a Deed, Council has delegated authority to:
- 8.1. The Secretary to securely hold the Seal; and
 - 8.2. Any Council Member to approve, sign and affix the Seal to Legal Documents and inform the Secretary of their having done so; or
 - 8.3. Any two Council Members to approve and sign a Deed without the Seal and inform the Secretary of their having done so; or
 - 8.4. A Council Member to approve, and together with the Secretary, who must act as witness, sign a Deed without the Seal.
9. A risk assessment of a deed must be completed before it is approved and executed. A copy of the risk assessment and the executed Deed must be sent to, and recorded by, the Secretary.

Reporting

10. In addition to reporting each instance of when the Director and Secretary have delegated authority to sign Legal Documents to a person not authorised to do so under this Scheme, the Secretary must provide Council with regular updates of the number and type of Legal Documents that the School is being asked to seal or sign.

End.

Approved by Council on 26 April 2016.