

Board of Directors (in Public)

Item 5.4

Subject: Annual Review of Board Directors' Disclosures
Date of meeting: 25th March 2017
Prepared by: Lucy Lavan/Director of Corporate Affairs
Presented by: Lucy Lavan/Director of Corporate Affairs

BAF Ref	Impact on BAF
All	None

1. Executive Summary:

The purpose of this paper is to request that the Board undertakes its annual evaluation of:

- i) Interests declared by Directors to determine any potential material conflicts;
- ii) NED independence;
- iii) Compliance with fit and proper persons criteria (Licence Condition 4 and Regulation 5 of the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014).

2. Annual Board Declaration Process:

- i) Monitor's *Code of Governance* ('the Code') states that Boards should follow a policy of openness and transparency and make clear how conflicts of interests are dealt with (provision A1.9). Board Directors are prompted to review their declarations of interests on an annual basis, and the Register of Interests is then updated and reviewed by the Board in March each year, to enable the identification and consideration of any potential conflicts. This process is supplemented by the inclusion of a standing agenda item on all Board meetings for 'Declaration of Interests' relating to items on the agenda.
- ii) Provision B1.1 states that the Board should determine the independence of each Non-Executive Director and sets out criteria for independence. The Board should determine whether each Director is independent in character and judgement and whether there are any relationships or circumstances which are likely to affect or could appear to affect the Director's judgement. Non-Executive directors have previously been asked on appointment to complete a self-declaration in respect of the independence criteria set out in the Code, for review by the Board and to support the required disclosure in the Annual Report. Non-Executive Directors are asked to complete a self-declaration annually and to highlight any new issues as these arise for the Board's consideration.
- iii) The Provider Licence came into effect on 1.4.13 and requires that all Board Directors (and Governors) are 'fit and proper persons' (as defined in condition G.4). Regulation 5 of the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014 places a further duty on NHS Providers not to appoint or allow a person to continue to serve on a Board unless certain requirements are met. A Fit and Proper Person's Policy has been developed for adoption by the Board (March 2016) and requires all existing Directors to complete an annual self-declaration*

- iv) In response to the above requirements, Board members have been asked to complete 3 declarations for review by the Board:
 - a) Interests (Register of Interests is attached at Appendix 1)
 - b) Independence (NEDs only- summary of declarations is attached at Appendix 2)
 - c) Fit and Proper Persons self-declaration (Summary at Appendix 3)*

*It should be noted that in addition to the annual self-declarations an audit of all personal files has been undertaken to support a more detailed review of evidence undertaken by the Chairman to demonstrate compliance with the Regulation 5. For new Board members, documentary evidence of compliance has been collated and evidence of compliance has been collated and reviewed by the Chairman.

3. Recommendations

The Board is asked to:

- i) Review the Register of Interests (Appendix 1) and consider any potential conflicts, confirming either that there are no material conflicts or else determining how any conflicts are to be dealt with.
- ii) Review the self-declarations of NED independence and determine the independence of each NED (Appendix 2).
- iii) Review the self-declarations in respect of the fit and proper persons test and confirm that based on self-declarations; there is no evidence to suggest that the Trust is non-compliant with Condition G.4 of the Provider licence or Regulation 5 (Health & Social Care Act 2008 [Regulated Activities] Regulations 2014. (Appendix 3) in respect of all existing directors.