Board meeting

17 July 2024

Policy on declaring and managing interests for board members and employees

Purpose of paper

For approval

Board action required

The Board is asked to approve the policy on declaring and managing interests for board members and employees, which has been updated following periodic review.

Brief summary

The policy, which outlines the interests employees and non-executive directors NEDs) can hold, has been reviewed and updated following a scheduled 3-yearly review. The main changes relate to the financial interests that can be held and recognise the different roles of employees and NEDs. Other changes include clarifying the interests that need to be declared and strengthening the safeguards in the limited circumstances when blind trusts are used.

Taken together, the changes in the updated policy ensure NICE continues to have a clear and robust process for ensuring interests are declared and that potential conflicts of interest are appropriately managed.

Board sponsor

Sam Roberts, Chief Executive

Introduction

Effectively managing interests – and identifying potential conflicts – is essential if health and care professionals and the public are to maintain confidence in our work. It is therefore central to how we carry out our work.

We have 2 policies that set out the process for declaring and managing interests: one for the advisory committees and another for non-executive directors (NEDs) and employees. Both policies were developed in their current format in 2018 to reflect a model policy developed by NHS England following a cross organisation working group to which NICE contributed. Both of NICE’s policies have since been regularly reviewed and updated under our policy review process.

The board and staff policy has been reviewed in line with the 3 yearly review cycle, following which amendments are proposed. Some of these amendments take account of the MHRA’s declaration of interest policies for board members and staff. Other amendments clarify what needs to be declared, and others reflect changes in the way interests are declared (using new technology). The changes are summarised below.

Taken together, the changes in the updated policy ensure NICE continues to have a clear and robust process for ensuring interests are declared and that potential conflicts of interest are appropriately managed.

Financial interests

The current policy treats shares and income from the same company differently. It currently allows an individual to receive income from companies in the life sciences sector unless the company’s products are subject to appraisal/review by NICE but prevents shareholdings (that can be managed at the individual company level) in any life sciences company. The proposed amended policy introduces a consistent approach to shares and income and also recognises the different role of NEDs and employees. These changes are outlined in the table below.

Table1: shares and income in the life sciences sector

|  |  |  |
| --- | --- | --- |
| Role | Current policy | Proposed policy |
| Employees | Should not receive direct payment from a company whose products are subject to appraisal/review by NICE.    May not hold or acquire shares in the life sciences sector, which can be managed at an individual company level. | Should not receive direct payment from the life sciences sector nor carry out consultancy work for these industries (with the exception of services undertaken through NICE Advice).  Should not hold or acquire shares in the life sciences sector that can be managed at the individual company level. |
| NEDs | Should not receive direct payment from a company whose products are subject to appraisal/review by NICE.    May not hold or acquire shares in the life sciences sector, which can be managed at an individual company level. | Should not receive direct payment from a company whose products are subject to appraisal/review by NICE.  Should not hold shares in companies whose products are subject to appraisal/review by NICE that can be managed at the individual company level. |

NICE’s current policy allows the use of ‘blind trusts’ when NEDs and employees join NICE with existing shareholdings that they are unable to continue to hold due to the restrictions in the policy. When a blind trust is used, the policy states that for the first 12 months the individual must not be involved in decisions at NICE that could affect the value of the shareholdings initially entered into the trust. To strengthen the safeguards around the use of such arrangements, the updated policy states the individual must not be involved in the appraisal/review of technologies produced by the company whose shareholdings were initially entered into the trust for the duration of their employment (employees) or the duration of their term of office (NEDs). This recognises that substantive shareholdings are unlikely to have been sold within these first 12 months of employment/appointment.

Other changes and clarifications

Other changes and clarifications include:

* Adding an explicit statement that NEDs and employees should not be involved in NICE’s appraisal/review of a technology whose development they contributed to in another role outside of NICE.
* Clarifying that holding office or a position of authority in a political party should be declared where this could be relevant to NICE’s work (for example a spokesperson for health and social care or a candidate for Parliament).
* Clarifying whose interests need to be declared as an indirect interest.
* Increasing the retention period for directors’ interests to aid increased transparency.
* Revising the policy to reflect the implementation of the PowerApps system for declaring and reviewing staff interests.

Next steps

The policy has been approved by NICE’s Executive Team and was then shared with Unison, following which minor amendments were made. Once approved by the Board, the policy will be disseminated to staff and implemented with effect from 1 August 2024.

Board action required

The Board is asked to:

* 1. Approve the updated policy on declaring and managing interests for board members and employees

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