

## Open session

**Board meeting:** 20 July 2022

**Agenda item:** 6

**Subject:** Principles underpinning a new Declarations and Conflicts of Interest Policy

**Action:** For Discussion

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### Purpose

The Board is asked to consider the overarching principles for an updated Declarations of Interests and Conflicts of Interests Policy. The paper provides an overview of the various types of conflict of interests that should be declared and proposes ways of approaching Board and Committee discussions in the event of a potential conflict of interest.

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### Recommendations

It is recommended that the Board agrees the overall direction and principles that will underpin the development of an updated Declarations and Conflicts of Interest Policy.

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### Annexes

None

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### Author/Key Contact

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## 1. Open Session

This item will be discussed in the open session of the Board meeting.

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## 2. Background and Key points

- 2.1. As an independent, statutory regulator, ARB must have a transparent decision-making process in place in order to deliver its statutory functions, as well as its strategy and annual business plans. It is a requirement for Board and Committee members to declare any conflicts of interests or potential conflicts of interest that may arise during their time as an ARB Board or Committee member.
- 2.2. The current Board Handbook asks Board members to carefully consider whether they have any material interests which are relevant to the work of ARB. There is a Register of Interests in place which is maintained by the Governance team. However, the existing Declarations and Conflicts of Interest Policy is due for review. This paper aims to provide information in relation to the principles and the approach which should underpin the development of an updated policy.
- 2.3. It remains the responsibility of the Board member to determine whether they feel they have a conflict or a potential conflict of interest. If a Board member is concerned about whether or not to disclose an interest it is recommended that they discuss it with the Chair of the Board, the Chief Executive & Registrar and the Governance team. A similar approach is taken at Committee level.
- 2.4. The process of declaring interests involves disclosing members' personal and professional connections and involvements with other organisations or individuals. The purpose of the declaration is to ensure that any interested party (including other Board members, members of the public and other stakeholders) are aware of any potential conflict of interest which can then be appropriately managed.
- 2.5. A declaration of interest may not always give rise to a conflict of interest but should still be listed if it is relevant to ARB's business or activities. Board members are reminded that the Declaration of Interests form is available for public scrutiny under ARB's formal publication scheme, and any details that are provided will be posted on ARB's website. An important way of strengthening confidence in independent decision making is to ensure that connections to individuals and organisations are open for scrutiny by the public.
- 2.6. A conflict of interest occurs when an individual's interests clash with their professional responsibilities, resulting in a conflict over their duties in a role within an organisation. Transparency is crucial when dealing with actual and potential or perceived conflicts of interest.



2.7. Conflicts of interests can be financial or non-financial, in a direct or non-direct way. The current Declaration of Interests form lists the categories which should be declared in the event they may become sources of potential conflict of interest. These categories should also be declared for financially interdependent relatives or associates.

2.8. Some examples of where conflicts of interest may arise include:

- Full/part-time employment
- Business interests and professional relationships
- Positions held in other bodies
- Voluntary work
- Participating in any campaigning or political body
- Relationships with staff members or any suppliers to ARB
- Personal and social relationships
- Relationships with schools of architecture

2.9. We suggest that the principles and approach that underpin the development of the updated Declarations and Conflicts of Interest Policy are as follows:

- All ARB Board and Committee members will be required to declare any interests on a regular basis (at least annually as well as on a meeting-by-meeting basis) in order to ensure that decisions are made only in the best interests of ARB and so that ARB's decision-making processes continue to be robust and transparent.
- ARB Board and Committee members must update their declarations of interest as and when they change and ensure that they inform the Executive of any changes.
- ARB Board and Committee members will consider how external, personal or professional interests could be perceived.
- A proportionate approach will be taken by the Chair (and/or the Chair of a Committee) and the Executive when considering conflicts which consider:
  - Any policy or operational decisions which could have a direct benefit or impact on ARB Board or Committee members (including financially, professionally or personally)
  - Any policy or operational decisions which could be perceived to benefit indirectly ARB Board or Committee members or organisations or personal connections.

- Any policy or operational decisions which could be subject to a perception of unconscious bias due to a personal or professional interest.

In considering how to respond the following key range of responses will be considered by the Chair (and/or the Chair of a Committee) and Chief Executive & Registrar, under advice from Director of Governance and International, including:

- Requiring members to withdraw from any debate or discussion
- Requiring members to abstain
- Requesting members speak last in any debate (so as to avoid the perception of undue influence)
- Requesting members state any potential interest before they contribute to a debate.

Any conflict of interest will be logged within the Register of Interests for 2 years, following which it will be removed if the member no longer holds the position (e.g. past External Examiner positions).

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### **3. Resource Implications**

The development of an updated policy has been accounted for in the Board's budget for 2022.

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### **4. Risk implications**

- 4.1. An actual or potential conflict of interest can increase the risk of bias and impact on effective decision making. A conflict of interest can create a risk that an individual's ability to apply judgement and act in their role could be impaired or influenced by a secondary interest. External perceptions regarding conflicts of interest also create risks to an organisation. A robust and transparent Declarations and Conflicts of Interest policy will assist in mitigating this by ensuring that both those making the decisions, as well as any relevant stakeholders, are aware of Board and Committee members' declarations and conflicts. Declarations, conflicts and instances where Board or Committee members withdraw from relevant discussions and decisions will be recorded within the minutes of any meeting for transparency.

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### **5. Communication**

- 5.1. Board and Committee members' declarations of interests will continue to be held within the Register of Interests and relevant details will continue to be published on the ARB website for transparency.



5.2. Following the Board's discussion, the Declarations and Conflicts of Interest Policy will be updated to reflect the changes and the existing Policy will be replaced as an annex to the Board Handbook. Relevant updates will also be made to the Declarations and Conflicts of Interest sections within the Board Handbook.

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**6. Equality and Diversity implication**

Key EDI implications will be considered as part of the policy development.

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**7. Recommendations**

It is recommended that the Board agrees the overall direction and principles that will underpin the development of an updated Declarations and Conflicts of Interest Policy.

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