



Board Meeting 9
September
2021
Agenda Item 7

Subject Governance – Policy Development and Board Assurance
Purpose For Decision
From Marc Stoner, Director of Finance and Resources/Emma Matthews,
Director of Professional Education

If you have any enquiries on this paper, please contact Emma Matthews at emmam@arb.org.uk or on 020 7580 5861

1. Summary

This paper sets out how we are looking to maximise the effectiveness of Board time from 2022 onwards. The Board's responsibilities can be summarised as: setting strategy and agreeing key policy decisions and oversight and assurance on an ongoing basis of operation of the organisation. To better deliver these responsibilities, we are proposing a number of changes to the cycle of Board meetings as well as making a change to the Board's Committee structure.

The Board is asked to consider the points outlined within this paper and agree the recommendations as requested under Section 2.

2. Recommendations

It is recommended that the Board:

- i. Supports the revised approach to the cycle of Board and workshop meetings from 1 January 2022;
- ii. Agrees to remove the Policy Committee from its committee structure once the Committee has completed its meeting on 12 October 2021; and
- iii. Agrees that small assurance/task and finish groups should be used as an additional means of monitoring the progress of the organisation's key strategic priority areas.

3. Open

4. Contribution to the Board's Purpose and Objectives

Ensuring that the Board has robust governance processes and an effective committee structure in place will enable ARB to continue the delivery of its strategic aims and fulfil its statutory obligations under the Architects Act 1997.

5. Key Points

5.1 Cycle of Board Meetings

In a typical year, there will be five or six formal Board meetings, and two additional review/development days. Notwithstanding the necessity to meet more often as a result of the pandemic, there is an emerging consensus that the Board's business is growing, particularly as new legislative responsibilities are placed upon the Board. As a result the Board will need to spend more time focusing on strategy and the development of policies. Notably, the delivery of the Board's strategic aims in relation to the review of initial education and training, the development of a continuing professional development process, and the transformation of the organisation's internally will require significant Board time whether discussions on these topics are dealt with workshop/working group sessions or at formal Board meetings.

- 5.2 Further to a survey of Board members, we have therefore been considering how the use and effectiveness of Board time can be maximised to support and achieve the organisation's ambitious programme of work.
- 5.3 We propose that in 2022 we should allocate more time for Board discussions and that Board meetings should fall into three categories. There should be a mixture of workshops, which would enable the Board to focus on strategy and policy development discussions (with the opportunity to involve external speakers), formal Board meetings, at which the Board will deal with decision items and assurance matters, as well as meetings solely for Prescription Matters.
- 5.4 We are therefore suggesting that total of 12.5 days be allocated for all formal Board, Prescription Matters and Workshop meetings. The schedule proposed would allow a minimum of five formal Board meetings to consider formal business. There would be five meetings allocated to deal with strategy and policy development matters and five separate half days meetings for prescription related items.
- 5.5 Whilst formal Board and workshop meetings will be programmed in across the year, there will need to be a degree of flexibility around these if urgent or priority items arise throughout the course of that year. It may also be the case that some of the formal Board and workshop meetings could be reduced to half a day rather than a full day where this is appropriate.
- 5.6 Based on Board members' feedback, we suggest that we hold a mixture of in-person and online meetings. Typically, formal Board and prescription meetings would be conducted online and workshop meetings in person. Again, however, there will need to be some flexibility around this. An initial outline of the proposed schedule of meetings can be found at **Annexe A**.

5.7 Policy Committee

The Board approved the creation of the Policy Committee in late 2019 and the first meeting of the Committee was held in mid 2020 (delays to its introduction were due to the pandemic and the need to recruit external non-executives to populate

the Committee). The purpose of the Committee is to scrutinise and challenge the Executive's proposals in terms of the development of regulatory policy to ensure that the regulatory model is proportionate and effective. The Committee is currently populated by three Board members and one external non-executive.

- 5.8 One of the Board's key functions is to approve strategy and policy and we see significant advantages to involving all Board members in policy development discussions. Doing so will allow a greater range of insight and expertise and mitigate the risk that Board members are asked to make key decisions on policy issues they have had little involvement in. By holding Board-wide workshops to deal with the development of strategy and policy as outlined in section 5.2 above, we believe that the Policy Committee will no longer be needed. We are proposing that the Policy Committee be disbanded and should cease to operate following its last meeting in October 2021.
- 5.9 Disbanding the Policy Committee will displace the two independent external members of this specific Committee (Stephen Brookhouse and Alan Kershaw). Our contractual obligation ceases for both parties on 5 March 2022 and there is no obligation to provide any minimum work levels. The contract can be terminated early with one month's written notice. The Board may wish to consider the individuals' skill sets for appointment to any of the proposed working groups.
- 5.10 **Assurance and Task and Finish Groups**
The Board currently derives assurance that the organisation is operating effectively and its strategic aims and business plans are being delivered through a series of reports which are presented to it on a regular basis.
- 5.11 There will be a range of topics which may require more detailed scrutiny or assurance and we recommend that the Board consider utilising more flexible models such as assurance groups or task and finish groups. The review of initial education and training is one such group already in existence where members with a particular interest or expertise can meet more regularly or outside the cycle of Board meetings to review the progress of work and report back as necessary.
- 5.12 We can see significant benefit to establishing assurance groups for the two other key strategic priority areas within the draft strategic plan, namely Continuing Professional Development and Strategic Transformation.
- 5.13 **Board Remuneration**
The Board will recall from its October 2020 meeting that the Executive has explored moving Board members' remuneration to a set annual amount, paid monthly in equal instalments. At the time the Board felt that no decision should be taken as there had been a number of changes within the Board and the full impact of the pandemic was unclear. However, it agreed that this should be reviewed again in 12 months' time, i.e., in the Autumn 2021.
- 5.14 The Executive proposes to bring a paper to the October 2021 Board meeting to seek agreement to move ahead with this arrangement.

6. Resource Implications

The costs associated with an increased number of Board and workshop meetings have been factored into the 2022 budget, as has the Board members' participation in the assurance groups that will be established to oversee the key strategic projects. The removal of the Policy Committee from the Board's committee structure in 2022 will off-set some of these additional costs. Further details regarding the proposals to move Board members' remuneration to a set annual amount will be provided to the Board in October 2021.

7. Risk Implications

Given that the ARB is a statutory regulatory body, it is imperative that robust and effective governance arrangements in place to support and facilitate the organisation's delivery of its legislative responsibilities, its priorities and objectives. The Board must have opportunities to discuss key topics in detail as well as appropriate assurance mechanisms in place to support its ongoing and future work in a challenging environment. A lack of appropriate governance arrangements could cause issues in terms of organisation and/or the Board's ability to deliver its statutory functions and lead to reputational damage. We believe that the proposals within this paper will mitigate against these risks from arising.

8. Communication

2022 is going to be a period of significant change, investment and improvement for ARB, and we are committed to supporting architects, schools of architecture, the public and our many other stakeholders through the major challenges we all expect to face.

Moving to a more simplified approach helps to reduce the administrative burden on the organisation as well as mitigating the risk of incorrect claiming. The recommendations within this paper and the forthcoming paper (referred to above) in October 2021 reflect our commitment to equality, diversity and inclusion. By making regular and set payments supports members in financial planning and we will help avoid uncertainty from month to month where meetings are not evenly timed. It will also help to open up the pool of appropriately qualified people where vacancies arise.

9. Equality and Diversity Implications

Remuneration must be set at an appropriate amount to ensure that all appropriately qualified people can participate whatever their income or circumstances. Those with caring responsibilities may, for example, face an additional burden in seeking to contribute to ARB's work. These changes we propose to bring forward in October 2021 should support those wishing to participate as they will receive a set amount each month and be able to plan

10. Further Actions

Subject to the Board's decisions, we will:

- Confirm Board, workshop and committee dates for 2022 as soon as possible;
- Disband the Policy Committee following its meeting on 12 October 2021 and make relevant updates to ARB's website and other documents which reference the Policy Committee;
- Establish relevant assurance groups to monitor the progress of our key projects in consultation with the Cha/Board members.

Meeting Type	Month	Length (in Days)
Board Workshop	January- WC 24	1
Board Meeting	February- WC 14	1
Board- Prescription Matters	February- WC 21	0.5
Board Workshop	March- WC 21	1
Board Meeting	May- WC 16	1
Board- Prescription Matters	May- WC 23	0.5
Board Workshop	June- WC 13	1
Board Meeting	July- WC 18	1
Board- Prescription Matters	July- WC 25	0.5
Board Workshop	September- WC 19	1
Board Meeting	October- WC 17	1
Board- Prescription Matters	October-WC 24	0.5
Board Workshop	November- WC21	1
Board Meeting	December- WC 5	1
Board- Prescription Matters	December- WC 12	0.5
Totals:		12.5