



Subject Board Chair Remuneration
Purpose For Decision
From Chair of the Remuneration and Appointments Committee

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1. Summary

This paper sets out a proposal to move the remuneration of the Board Chair from a daily attendance rate to a fixed annual rate (honorary) that will be paid monthly in equal instalments as well as agreeing the expected time commitment of the Board Chair.

2. Recommendations

It is recommended that the Board should agree to:

- i. Move the Board Chair to an annual honorary consistent with the previously agreed payment cycle of Board members.
- ii. The expected days of commitment required by the Board Chair to be c75 days

3. Open session

4. Contribution to the Board's Purpose and Objectives

In delivering the Act, ARB's objectives are:

Protect the users and potential users of architects' services
Support architects through regulation.

An appropriate level of remuneration for Board, Committee, Panel members, Advisers and ARB's staff ensures that ARB is fair, effective and efficient, and assists in supporting all of ARB's strategic objectives.

5. Move to an annual honorary (paid monthly)

5.1 At its meeting of 17 November 2021, the Remuneration Committee considered the proposal to move the Board Chair to an annual pay model, to bring in line with that of Board members.

5.2 There are significant benefits to this proposal. It enables a more transparent approach to costs, it will help manage (including forecasting and budgeting) costs more effectively and will reduce the administrative burden on the Executive. It will also be clear to prospective candidates for the role of ARB Chair, the level of commitment and engagement required in the role and avoid the blurring of Executive and Non-executive lines.

5.3 The Board, via write around, has already agreed a change to the daily rate, from £400 to £525, to bring the remuneration in line with the current market rates. The urgency

of the write around was due to the imminent Departmental recruitment of a permanent chair of the Board.

5.4 Based on 75 days time commitment, at a rate of £525 per day, the annual remuneration would be £39,375.

6. Time Commitment

- 6.1 The Board, along with the Executive, are tackling some important new challenges set out in its new Strategic Plan 2022-2026.
- 6.2 The current Chair of the Board, Alan Kershaw, was appointed on a temporary basis following the resignation of the previous Chair,. A temporary Chair can remain in post for one full year, plus two additional six-month periods if the Board agrees. This combined two-year period will expire in June 2022 requiring the Department for Levelling Up, Housing and Communities (DLUHC) to run a full public appointment process.
- 6.3 The Chair's duties include Board and agenda preparation and attendance at one of each of the Committees per year as an observer. In addition, the Chair provides leadership for the CEO, attends external meetings with our stakeholders and our sponsoring Government department, as well as managing the performance of Board members and Board appointments. A summary of the role profile is attached at [Annex B](#).
- 6.4 Having looked at other regulators, there is significant variation in the time commitment and in the rates of pay. Therefore, the Committee focussed its discussions on the needs and commitment required of ARB's Board Chair to fulfil their role.
- 6.5 The Committee, having reviewed the responsibilities and commitments involved in the Chair's role previous claiming patterns as well as our ambitious five year strategy, deemed 75 days as appropriate for the Chair to carry out these duties. This is equivalent to around 6 days per month being spent on Board business.
- 6.6 A breakdown of the meetings is attached at [Annex A](#).
- 6.7 The time commitment for the Chair may vary from year to year depending on a range of factors including the emphasis in the corporate strategy, as well as policy priorities. However, there are statutory obligations that the Chair is required to deliver, consistent with other similar bodies, as well as engaging with numerous stakeholders including government. It is not uncommon for these roles to be advertised at 2-3 days per week. Although 75 days per year may be higher than previously indicated for ARB, we are confident that this is a fair reflection of the expectations on the Chair by the sponsor department, external stakeholders as well as the need to support the executive. It also remains on the lower end of time commitment expected of the Chair compared with similar organisations.
- 6.8 The Committee discussed the need to keep remuneration under regular review so that the expectations of the Chair reflected the strategic needs of ARB. It advised that the Chair should record time spent on Board business, and that this record should inform a review of the remuneration rate toward the end of 2022.

7. Resource Implications

7.1 There are no additional cost implications in agreeing the two recommendations set out in the paper.

8 Risk Implications

8.1 No additional risks beyond those referenced in the narrative of this paper.

9. 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. It supports our commitment to equality, diversity and inclusion by making regular and set payments supports members in financial planning and avoids uncertainty from month to month where meetings are not evenly timed – therefore opening up the pool of appropriately qualified people.

10. Equality and Diversity Implications

Remuneration must be set at an appropriate amount to ensure that all appropriately qualified and diverse candidates that 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 should support those wishing to participate as they will receive a set amount each month and be able to plan.

11. Further Actions

No further action is required unless the recommendation to the committee is varied which will result in a further paper going to the Board at its December meeting.

ARB Chair – Job Description

The Chair has a responsibility to:

- lead the Board; establishing its overall strategic direction in line with its statutory objectives and functions;
- oversee the appointment and performance management of the Chief Executive and Registrar;
- build an effective and supportive relationship with the Chief Executive and Registrar, whilst respecting the boundaries which exist between the two roles;
- ensure that the Board's policies and Rules are within the powers of the Architects Act 1997 and ARB's governance frameworks reflect good practice and take into account guidance from the relevant government departments;
- model the values and inclusive culture of the ARB and adhere to the Nolan principles in public life;
- represent the views of the Board to the architects' profession and to the general public and liaise with stakeholders;
- maintain regular contact with both the Board members and the Chief Executive and Registrar and develop and maintain open and supportive relationships with them;
- ensure that the work of the Board and its members is reviewed and is working effectively;
- ensure that Board members are fully briefed on terms of appointment, duties, declarations and conflicts of interest and responsibilities and that the executive works closely with the sponsor department to ensure Board vacancies are filled when they arise
- ensure that there is a Code of Practice for Board members in place consistent with the Cabinet Office Model Code; and
- ensure that each Board member has clear objectives, receives relevant training and is subject to a performance review process.

Essential Criteria

1. Experience of chairing a board/committee.
2. An ability to lead and drive transformational change
3. An ability to work in a fast paced, changing environment to ensure the board understand the wide ranging impacts on the organisation.
4. An ability to understand and champion good governance at senior levels, in a regulated public sector environment.
5. An ability to influence and inspire confidence in a wide range of stakeholders, internally and externally.
6. A strong commitment to the value of diversity and difference, diversity of skills and experience and adherence to the Seven Principles of Public Life.

	ARAC	RaAC	Prescription	Board Days	Appraisal	Board & Comm Meeting Prep	Other	Total	Avg per Month	Daily Rate	Annual Pay	Rounded	Enhancement	Total
Alan Kershaw	1	4	1	12.5	5.5	11	40	75	6	400	30,000	30,000	0	30,000

Board Member	Year		Notes
	2021 Actual claimed + forecast to year end	2020 Per Accounts	
A Kershaw	29,250	28,026	

Weekly meetings with Hugh	1 day per month	12 days
RIBA Liason	4 per year (.5 day)	2 days
Meetings other Regsions	4 per year (.5 day)	2 days
Meeting with SLG	2 days per year	2 days
Board/Panel recruitment	6 days per year	6 days
Comms work	1 day per month	12 days
MHCLG engagement	4 per year (.5 day)	2 days
Other	2 days per year	2 days
Total		40 days