

# Minutes of Board Meeting held on 27 October 2021

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Location	Present	In Attendance
Hallam Conference Centre	Alan Kershaw (Chair) Mark Bottomley Emeritus Professor ADH Crook Will Freeman (via VC) Professor Elena Marco Derek Bray Dr Teri Okoro Cindy Leslie Liz Male Stephen McCusker	Hugh Simpson (CEO and Registrar) Emma Matthews Simon Howard Brian James Rebecca Roberts-Hughes Marc Stoner Helen Ransome Kristen Hewett Alice Pun (Minutes) Irene Moisis (DLUHC observer) Cameron Mcintosh (DLUHC observer) Jonathan Franksen (Observer) Sara McAllister (Observer)

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Draft - Chair Approved

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## 1. Apologies for Absence

No apologies had been received.

Irene Moisis and Cameron Mcintosh from the Department of Levelling Up, Housing and Communities (DLUHC) observed the meeting. The Chair welcomed new staff members Alice Pun, Sara McAllister and Jonathan Franksen as observers at the Board meeting.

## 2. Members' Interests

All Board members declared an interest in respect of item 6 (Remuneration of Board Members-Fixed Annual Rate). It was agreed that this did not preclude them from participating in the discussion in relation to this item.

Professor Crook reported that he had been elected to the Royal Town Planning Institute Board of Trustees and was on a Board/Council with the Vice Chancellor of Cardiff Metropolitan University. The Prescription Committee had not regarded this as a conflict of interest.

The Chair stated that no members were required to leave the room for any items listed on the agenda.

## 3. Update from the Chair

The Chair reported on the ongoing work related to Initial Education and Training review. Meetings had been held with key bodies including Royal Institute of British Architects (RIBA) and the Standing Conference of Heads of Schools of Architecture (SCHOSA), and a confidential briefing had been provided for selected stakeholders in advance of the launch of the discussion document and engagement platform. An initial meeting had been held with RIBA to progress engagement and understand one another's positions. Positive contributions from SCHOSA regarding the Initial Education and Training review were noted. The CEO would be speaking at the SCHOSA Annual General Meeting.

The format of Board meetings for 2022 had been determined according to the needs of the work and represented a balance between video and face to face meetings. The format might have to change in the light of the changing circumstances of Covid-19; but members would be given good notice of any changes.

The Chair had visited several schools of architecture (University of Manchester, University of Bristol, and University of Edinburgh) since the last meeting, which had provided opportunities to hear views and discuss themes in connection with ARB's strategic plans. Increased engagement with ARB consultations had been observed. Ongoing legislative changes in Parliament were noted.

#### **4. Minutes**

The Board unanimously approved the open session minutes of the meeting held on 9 September 2021.

#### **5. Matters Arising Report**

The Board noted a report on matters arising.

#### **Matters for Decision:**

#### **6. Remuneration of Board Members - Fixed Annual Rate**

The Director of Finance and Resources (DFR) reported that the daily attendance allowance for all non-Executives had been reviewed, following a bench-marking exercise, by the Board in May 2020. Guidance on the appropriate number of days for the Chair, Board members and Committee Chairs had been discussed by the Remuneration and Appointments Committee (RaAC). The Board had then considered the Committee's proposal to move to a fixed annual rate at its meeting in October 2020. At that time, while Board members had acknowledged the benefits of an annual payment system, it was felt that time commitments for the forthcoming year were difficult to ascertain, and it was not the right time to implement such a change.

Now that the meetings for 2022 had been confirmed, it was an opportunity to review the move to a fixed annual rate for Board members. The benchmarking exercise in October determined that the daily rate for remuneration of Board members did not vary greatly in the sector. There was however significant variation in the remuneration of the Chair. The CEO highlighted that the item for discussion today was the remuneration for Board members only, as the Board would need to consider the Chair's involvement in progressing strategy and time commitment on day to day matters to determine an appropriate rate. The DLUHC would be advertising the role of the Board Chair in late 2021.

During the course of the discussion, the following points were raised:

- The Board agreed in principle to move from a daily rate to an annual honorarium. The significant administrative benefits were noted, as was the potential opportunity to attract a more diverse Board composition.
- The Board enquired about the potential loss of data on attendance that would be received from Board member's timesheets. The data had been useful for the Executive to assess Board members' individual time commitments, workload, extra claims and build the proposed model going forward.
- Even with the move to an honorarium, Board members could keep a time log of the amount of time being committed during the year; this could then be regularly reviewed to ensure amounts payable were broadly in line with time spent.
- The CEO emphasised that the proposed process could always be reviewed during the year as various changes were implemented. With regard to some members who may underclaim, the new model aimed to introduce a fair process, aiming to simplify the claiming procedure for Board members and the staff team.
- The time commitment for Board members in 2020 was substantially different compared to 2021: members' time commitment and workload was affected by a variety of factors such as Brexit, effects of Covid-19 and the departure of the former Chair and CEO. A higher level of time commitment was required from certain members according to their areas of expertise. It was important to ensure that ARB's General Rules had the mechanism to support the organisation in adapting pay rates should there be a need for that in the future.
- The variation of Board members' time commitments and workload and an aspiration for more balance and parity with workload distribution
- In response to an enquiry about external input, the DFR reminded the Board that an independent pay review had been conducted. The preparation time required for Board and Committee meetings was also considered in the board proposal together with the additional time commitment for Committee Chairs.
- The recent increase in registration fees should be considered when discussing remuneration of Board members. It would be important to emphasise that an independent review had been conducted by an external benchmarking organisation and that the overall effect of the proposals would be cost neutral.
- The new approach would need to be clear for incoming Board members. Allocating the role of Committee Chairs should also be reviewed as part of the governance process.
- In relation to the independent review of the proposed fixed annual rate, it was recommended that a further discussion should take place at the forthcoming RaAC, enabling feedback to be sought from the independent member.
- Mechanisms were also in place if Board members failed to attend a certain number of meetings. The Chair would continue to monitor attendance and performance during the year. The Senior Independent Board Member would be available to the Board members for support in collaboration with the Chair.
- The Remuneration and Appointments Committee would meet on 17 November 2021 to discuss issues raised in the present debate. The Board Chair's pay rate would be settled at the next Board meeting on 1 December 2021.

The Board **approved** the proposal to move from a Board member daily attendance rate to a fixed annual rate (honorarium) that would be paid monthly in equal instalments taking effect from 1 January 2022.

The Board **approved in principle** the pay rates for Board Members, Committee Chairs and Prescription Committee Members as reported in the proposal. The anticipated number of days work for each role would be given final consideration by the Remuneration and Appointments Committee and, if any amendments were to be recommended, they would be brought back to the Board on 1 December 2021.

**Action:** The DFR to action the implementation of the move to a fixed annual rate (honorarium) for Board members, pending the RaAC's consideration of the appropriate number of days and time commitment.

### **Items to note**

## **7. Chief Executive's Report**

Updates on the development of international routes to registration were provided in the CEO's report. Architects Registration Board Hong Kong (ARBHK) and the Hong Kong Institute of Architects (HKIA) were seeking to develop an agreement with ARB, and initial exploratory discussions had taken place. The development of a Memorandum of Understanding (MoU) in relation to the recognition of Part 1 and Part 2 would be explored.

Regarding the transformation project, since the last Board meeting the Executive had sought advice from a small consultancy on the most efficient and cost-effective procurement strategy and route to market. An external procurement and IT expert had reviewed the IT audit and had recommended that ARB source a transformation supplier who could support both our transformation strategy and delivery of new applications software. ARB's procurement policies and procedures were urgently being reviewed and updated to support this work. This process would bring assurance to the Board in relation to transformation.

The Chair confirmed that the Policy Committee had been disbanded. Smaller Board assurance groups would be established for particular areas of work as appropriate. A group to provide assurance around the transformation project would be established before the end of the year. Any Board members interested in joining that Group were asked to contact the Chair after the meeting. The Group would aim to meet once before the Christmas period. At this stage, Board member involvement was intended to provide assurance. The key factor was willingness to be involved in the transformation process was more important than technical expertise on the subject matter.

The following points were raised during the discussion:

- The CEO clarified the details of the procurement process, explaining that an external organisation with IT procurement expertise in the public sector had been approached as ARB did not possess the necessary procurement skills. An interim Procurement Manager would support the Executive, focusing on reviewing all documents and policies related to procurement.
- The Board commended the decision to seek expertise at the procurement stage. It would be crucial to set milestones internally, seek input from the Assurance Group and report outcomes to the Board. An external expert, who could recognise any 'drift' with the project, would also attend the Group.
- A detailed requirement report would be provided by the consultancy as part of the assessment. A clear set of outcomes and success measures would be needed.
- The external consultancy would report to the internal Programme Board, providing updates to the Board Assurance Group. There would be clear governance and accountability processes in place.
- The Board emphasised that it would be imperative to ensure that all systems in future interacted with each other across the organisation. A modular approach could however be adopted to build the systems together. A holistic view on outcomes and success areas was required.
- The long-term benefit of the project was that ARB would have the necessary metadata.

The CEO had been invited to be part of a new Department for International Trade Professional Regulators Advisory Forum which would provide advice to the Minister in relation to Mutual Recognition Agreements by professional regulatory and standards bodies.

The Board papers were currently being circulated seven days in advance of each Board meeting. The Executive would, in future, aim to send the papers a minimum of 10 days in advance to allow more preparation time. Members welcomed that approach.

In response to a query regarding the level of response from universities on the Initial Education and Training survey, it was noted that the survey had been sent to over 200 universities. Only few responses from individual academics had been received so far.

A report on communications activity was noted; the Board found the report to be useful and congratulated the team on their recent work. The Initial Education and Training regional workshops would be held 'in-person' and online. The event would be streamed online to ensure that a wide audience could be reached.

**Action:** Board members interested in joining the Transformation Assurance Group to contact the Chair by 31 October 2021.

## 8. Performance Monitoring Report

The CEO provided the Board with an overview of ARB's operational performance. This was an interim performance monitoring report as the document would vary from 2022, on

commencement of the new corporate strategy. The report provided the direction of travel and demonstrated to DLUHC that the Board was being provided with an appropriate level of overall operational information.

Detailed discussions had continued in RaAC about creating the right working environment for staff members. Absence levels and turnover rates were noted by the Committee and would continue to be monitored. Such data could reflect larger issues and areas for improvement.

The Director of Regulation noted that, in recent years, a high number of complaints involving either inadequate terms of engagement or the use of digital and social media had been observed. With the identification of such trends, a guidance note regarding architects' use of social media had been published. Plans to mitigate inadequacies in terms of engagement would be reviewed again along with the Code of Conduct. The Chair expressed the view that the guidance should fit within the core principles of the Code of Conduct. The Board suggested looking at finding ways in which the 'lessons learned' for registrants could be captured from such complaints, and issued as guidance, perhaps in collaboration with professional bodies.

The information presented in the performance monitoring report had improved and the Board suggested including a 'forward looking' aspect to the report that would explore more about the trajectory of the organisation in the future, for instance, in 6 months or 12 months.

Staff turnover remained high at 20.45%; the performance monitoring report at the next meeting would include the measures adopted to mitigate it and a timeline for reducing it.

## **9. Prescribed Examination Annual Report**

The Director of Registration provided an overview of the Prescribed Examination Annual Report. It was acknowledged that the current guidance for the exam process on the website could be difficult to navigate. A diagrammatical format was suggested as a way to improve the information.

In response to a question regarding the reasoning behind failure rates presented in the paper, it was noted that the current system could not provide a sufficiently granular level of detail. The various paths to registration had been described in the paper. The Board suggested collecting data to ensure that all architects were following the appropriate processes to enter the UK register. A progress report would be provided to the Board in Q1 2022.

Outsourcing the examination process was covered within the corporate strategy. Progressing the work on EU qualifications was a priority. The ongoing work, related to the development of an adaptation model, could be outsourced depending on the level of demand so options for this were being analysed.

## **10. Management Accounts**

The Board noted the Management Accounts for 2021.

**11. Any Other Business**

No other items of business were raised by members or those in attendance.

**12. Dates of the Next Meeting:**

1 December 2021

The Board noted the date of the next meeting.