



## Minutes of Board Meeting held on 19 May 2021

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Location	Present	In Attendance
By video conference	Alan Kershaw (Chair) Mark Bottomley Emeritus Professor ADH Crook Will Freeman Professor Elena Marco Stephen McCusker Liz Male Derek Bray Cindy Leslie Dr Teri Okoro	Hugh Simpson (CEO and Registrar) Marc Stoner Emma Matthews Simon Howard Brian James Rebecca Roberts-Hughes Kristen Hewett (minute taker) Katie Lewis (ARB observer) Michelle Wright (ARB observer) Irene Moisis (MHCLG observer)

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### Note

#### 1. Apologies for Absence

No apologies were received.

#### 2. Members' Interests

Cindy Leslie and Liz Male declared an interest in agenda item 6, which related to their temporary appointment to the Audit and Risk Assurance Committee. It was agreed that if the item generated debate, then Ms Leslie and Ms Male should leave the meeting; otherwise, they should remain in the meeting as their presence was required for the decision owing to quorum rules.

Professor ADH Crook and Professor Elena Marco declared an interest in 4(ii) in that it related to remuneration for the Prescription Committee, as they were both members of that committee. It was agreed that this be recorded but that there was no requirement for either member to leave the meeting.

Alan Kershaw declared an interest in agenda item 7 as the item related to his appointment as Board Chair. It was agreed that Mr Kershaw would leave the meeting for the item, and that Mark Bottomley in his capacity as Senior Independent Board Member would chair the discussion.

### 3. **Update from the Chair**

The Chair had attended two ARB Engagement Group listening sessions, both of which had generated positive and valuable discussions, particularly within the breakout groups. The Chair thanked all those involved who had generously given their time to take part.

The Chair, together with the CEO and Registrar, had met with representatives of the Standing Conference of Heads of Schools of Architecture (SCHOSA) where a range of key topics has been discussed including funding of architecture education and training.

The Chair and members of the Senior Leadership Group had met in person at the ARB office; it had been a pleasure to see members of the staff team enjoying the opportunity to meet, and to hear that they were looking forward to future in person working. The Chair relayed the Board's sense of pride in the work that the ARB staff team had achieved against the difficulties of the past year. The CEO and Registrar and Senior Leadership Group were currently reviewing working arrangements with any increase in office working subject to future announcements from the government. This work would consider the impact of hybrid working (mixing home and office working), the practical implications, including the impact on future Board meetings and Board workshops.

Finally, the Chair confirmed the intention for the two-day Board Meeting and Development Day scheduled for July to be held in person.

### 4. **Minutes**

In respect of the strategy and capacity planning write around, the Chair clarified that this decision dealt with immediate capacity issues for the staff team. The discussion and questions around the current proposal, including comments on staff retention, recruitment and talent development had been extremely helpful and would be explored as part of the Board's wider discussion around strategy scheduled for July.

It was confirmed that one Board member who had previously abstained on the write around decision had done so as they had not had time to properly review the paper. That member had since formally indicated their agreement to the proposal.

**The Board unanimously:**

- i. Approved the open session minutes of the meeting held on 4 February 2021;**
- ii. Ratified the Board's decision by write round dated 28 April 2021 in relation to the Prescription Committee Reading Fee;**
- iii. Ratified the Board's decision by write round dated 8 May 2021 in relation to ARB's Strategy & Capacity Planning.**

**5. Matters Arising Report**

There were no matters arising.

Matters for Decision

**6. Committee Membership**

The Director of Finance and Resources (DoF) confirmed that the only proposed amendments to the current Committee membership were to appoint Cindy Leslie as Chair of the Audit and Risk Assurance Committee (ARAC), and Liz Male as a member of the ARAC. The appointments would be reviewed once the current Board vacancy had been filled.

**The Board unanimously agreed to adjust the Committee membership as set out in Annex A of the paper, and agreed that the membership should be reviewed following the appointment of a new Board Member, or in one year's time, whichever was sooner.**

**7. Extension of Appointment of Temporary Chair**

*Alan Kershaw left the meeting.*

Mark Bottomley, in his capacity as in his capacity as Senior Independent Member chaired this item.

Mr Bottomley confirmed that a six-month extension to Mr Kershaw's temporary appointment as Chair of the Board was being proposed, and that the Ministry of Housing, Communities and Local Government was happy for the Board to proceed with the proposed extension. The Chair

had completed an annual review carried out by an independent reviewer and who had confirmed that Mr Kershaw was eligible for reappointment.

A Board member commented that ARB was extraordinarily lucky to have Mr Kershaw as its Chair but felt that one area that would benefit from further discussion was how feedback from annual reviews was captured and presented to the Board. From experience, the person who carried out an annual review generally attended a Board meeting to provide feedback to the Board and the Senior Leadership Group. It was confirmed further work would be undertaken to ensure appropriate transparency and feedback in future.

**The Board unanimously agreed:**

- i. To extend the temporary appointment of Alan Kershaw as the Chair of the Board until 11 December 2021, subject to General Rule 11.1; and**
- ii. To note that a further extension of six months in line with General Rules 11.1 and 11.9 was likely to be needed in December 2021.**

*Alan Kershaw re-joined the meeting.*

The Board confirmed to Mr Kershaw that the proposed extension to his appointment as Chair of the Board had been unanimously agreed.

Matters to note

**8. Chief Executive's Report**

The Board found the information on external engagement and the list of meetings with various stakeholders very helpful. The following points were discussed:

- Whether it was possible for future reports to contain information on trends, to help identify any spikes. To help with this it might be useful for the Board to have sight of longer-term data.
- Whether any data was available on cause and effect which could help assess impact as more resource was directed to communications. It was clarified that the Director of Policy and Communications (DoPC) had been carrying out work in relation to both

raising awareness, but also timelines in respect of policy development. The aim of the update was to be transparent about the engagement carried out by the Executive, particularly around meetings attended and who those meetings were with, which might help to identify gaps in the audience. The DoPC confirmed that while there was a lot of work still to do, it would be possible to show where there might be spikes relating to specific activities going forward, that although it was early days the data would be built on over time.

- The amount of work carried out was impressive and fully supported. It was suggested that forward looking data would also be helpful as there might be Board members who had an interest in attending a scheduled meeting.
- It would be helpful to have sight of stakeholder mapping to see who ARB was engaging with and how, this would further help to identify any organisations that might be missing.
- It was suggested that how the data was collected and the format for reporting the data could be reviewed to make it more engaging and avoid it just becoming a long list.
- In reply to the above points, the DoPC reported that a Communications Strategy was in development. This would detail what we want to achieve, who we want to engage with and how we want to engage and would follow later in the year.
- A discussion was held around the Board's desire to increase ARB's external engagement activity, and whether resourcing had been considered in light of this. The CEO and Registrar reported that the scale of change and activity in this area would directly link back to the Board's strategy, and the Board would have to make choices when the future strategy was discussed, and what would be deliverable within existing resources.
- A final request was made that when reporting on website visits, unique sessions or visits are reported rather than page views, as these gave a more accurate reflection.

## 10. **Management Accounts - Year-end Outturn 2020**

The DoF confirmed that the surplus identified at the end of 2020 would be transferred to reserves. There were three separate areas of reserves: the operating reserves which stood at £2.3m in line with the Board's policy of holding four months operating costs; the closure fund which ARB was required to hold by MHCLG (this stands at £3.6m, no monies from this fund

could be used without MHCLG permission, and anything used had to be rebuilt); and, finally there were the designated reserves, this figure related to funds where an expenditure had been committed to, but not necessarily in the same financial year.

Board members raised the following points:

Whether there was any possibility of additional grants becoming available for large projects such as monitoring competencies. The DoF confirmed that the possibility of such opportunities was closely monitored, helped by an excellent relationship with MHCLG whereby any opportunities would be flagged.

Whether it might be helpful to explore a more risk-based approach to the level of reserves. It was confirmed that work had been carried out to assess the required levels, although given the level of project work, there would be a Board discussion which would provide further information around risks, the relationship between operational and closure reserves and whether they sat at the right level.

With regards the £3.6m closure fund, the DoF confirmed this was to cover items such as redundancy payments, winding up of outstanding disciplinary cases and any expenditure around property (for example early termination of lease). Ms Moisis of MHCLG who was in attendance further clarified that ARB was unique in its position as regulator and arm's length body and being self-funded. The closure fund was to ensure that the government would not be liable for those costs were the organisation to be wound up.

A Board member queried whether there might be any potential for a reduction in costs for the prescribed exam. It was confirmed that the exam process was self-funded, so if efficiencies were identified in that area, those cost efficiencies would be reflected in the cost of the exam.

A comment was made around the reduction in postage costs during 2020, and whether this trend was likely to continue. The DoF reported that ideally this would continue, but current legislation dictated that certain correspondence had to be sent by post. It was noted that the pandemic had pushed the staff team to work differently, and it would be important to keep driving those changes going forward.

A Board member requested clarity over the fact that recent reports indicated current workload was beyond capacity, but the year-end management accounts identified an underspend in terms of staffing. The CEO and Registrar reported that decisions had been taken to not recruit to some posts owing to COVID and budget reallocated to temporary staff. This approach had

also been taken to cover vacancies; and staff members had been taken on with temporary contracts to cover gaps.

The Chair highlighted that when Board discussions were held around the strategy, the Board should be aware of any areas of substantial underspend. He then thanked the DoF for keeping the organisation in a good position over what had been a difficult year.

#### 10. **Audit and Risk Assurance Committee Annual Report**

In discussing the report, it was queried what a 'moderate' level of assurance meant, and what it might take to increase this to a 'substantial' assurance level. Members of the Audit and Risk Assurance Committee (ARAC) confirmed that this had been discussed at meetings, where the internal auditors confirmed that a 'moderate' level was fairly standard and was actually a good rating for the organisation. The ARAC Chair commented that achieving substantial assurance would be out of the ordinary but, if the Board had concerns, further information could be provided on the findings resulting from internal audit and how they were being addressed.

The DoF confirmed that the tender for the internal audit service was now live on the government procurement portal, Contracts Finder, and would run until early June. Tendering firms would then meet with the CEO and Registrar and the DoF, before presenting to the ARAC, who would then recommend a firm to the Board for appointment.

The Board asked whether a decision on the appointment of an internal audit firm could be delegated to the ARAC. It was noted that this would require a change to the ARAC's Terms of Reference, which would in turn require Board approval. It was therefore agreed that the appointment should remain a Board decision on this occasion.

#### 11. **Any other business**

No other business was raised.

#### 12. **Dates of Future Board Meetings:**

The CEO and Registrar would shortly be contacting Board members by email to consult on the pattern of future meetings, and what was hoped would be a combination of in person meetings and ones held by video. Feedback would be requested by questionnaire and the Board's prompt comments would be appreciated.

13 July 2021 – Development Day

Note

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14 July 2021

8 September 2021

27 October 2021

1 December 2021