

## Minutes of Board Meeting held on 17/09/15

Location	Present	In Attendance
8 Weymouth Street London W1W 5BU	J Assael, R Brennan, P Coe H Eisner, B Fraenkel (Chair), A Jago, M Kinghorn, R Levenson, A Mortimer, R Parnaby , S Ware, N Watts, A Wright, N Zulfiqar	Karen Holmes (Registrar), E Matthews, M Stoner, S Howard, T Graham

Note

Action

### 1 Apologies for absence

None received.

### 2 Members' Interests

Richard Parnaby declared that he has now been elected to the Council of The Royal Institute of British Architects (RIBA).

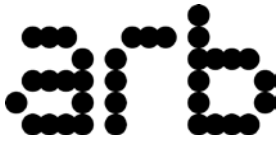
Ros Levenson declared an interest under item 15 and confirmed that she would leave the room for this item as it referred to her appointment to the Investigations Oversight Committee.

### STANDING ITEMS

### 3 Minutes

Further to a Board Member's request, it was agreed that the following minute should be added to the Minutes of the meeting held on 16 July 2015 under the Any Other Business item, 'It was noted that a query was raised under Item 17, Any Other Business, in advance and at the meeting in relation to the Board's interpretation of Section 4(1)b of the Architects Act. As this had been discussed by the Audit Committee in confidential session, the Audit Committee Chair recommended that this item be moved to the Confidential Session of the Board Meeting. This was agreed by the Board.'

The Board approved the Minutes of the Open Session of the meeting held on 16 July 2015, subject to the amendment outlined above, and the Chair agreed to sign them as a true record.



**Proposer: Peter Coe**  
**Seconder: Ros Levensen**

**The recommendation was agreed unanimously.**

#### **4 Matters Arising**

The Board noted the matters arising report.

The Financial Controller reported that the Board's Investment Manager had been in touch to advise that following the events taking place in China, making the changes to the Board's investment strategy had helped to preserve the Board's capital.

The Head of Qualifications also reported that the Privy Council had formally approved the Board's Election Scheme, ahead of the Election process commencing and the Election Notice being issued on 2 November 2015.

A Board member noted the timings in relation to actions set out on page 10 of the report with regard to updating of ARB's leaflets and website. The Registrar confirmed that this was not a rebranding exercise and would be looking at timings in relation to a number of actions planned.

#### **5 Chairman's Report**

The Chair reported on her meeting with Stephen Hodder on 20 August 2015 and noted that she had been unable to attend the inauguration of the RIBA President on 16 September 2015.

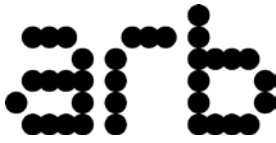
The Chair reported how they had discussed how the last year had gone and that Stephen Hodder had felt the working group meetings between ARB and RIBA had reinforced positive working relationships and it is envisaged these meetings would continue under the new Presidency. The Chair hoped that Jane Duncan would be able to come along to meet the Board at a future Board meeting.

Richard Parnaby noted that his involvement with the ARB/RIBA working group may need to be reviewed in light of his recent appointment to the RIBA Council.

#### **6 ARB's Operational Activities**

The Registrar reported that she had attended the inauguration of the new RIBA President on 16 September.

Following on from recent Staff visits to John Assael and Andrew Mortimer's



practices, Board Members were encouraged to visit an architectural practice.

## **7 Management Accounts 2014**

The Financial Controller introduced the paper, provided a revised variance sheet and apologised for the error with one of the formulae within the original paper.

It was noted by a Board member that there had been a significant saving in relation to staff costs and this must mean that staff are under immense pressure in coping with the extra workload.

The Board expressed its thanks to staff for their continued commitment during the past year.

The Chair asked that the Board be reminded about the restrictions when submitting their expenses and that all expense claims must be submitted within three months of the date of the meeting. This policy must be adhered to so that the HMRC did not apply tax deductions to travel and subsistence claims.

## **8 Periodic Review Update**

The Registrar provided an update on the Periodic Review. She reported that the final draft of the Review Report was now complete and that it would include the findings of Phase 1 and the rationale for Phase 2. The Report was now with the DCLG Scrutiny Panel and she had been informed it was on track for completion by the end of September 2015.

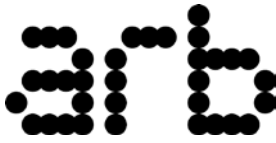
### **MATTERS FOR DECISION**

## **9 Architects Code – Standards of Code and Practice**

The Professional Standards Manager presented the paper and confirmed that the consultation had received a healthy number of responses. He reported that there had been no real consensus which could be drawn from the consultation responses as to whether or not the code should be changed. He advised that the Code should not be changed unless it was necessary, as there was merit in having a consistent and embedded code, and because of this the Board was urged to avoid undertaking an exercise in redrafting without having clear changes in mind.

The Professional Standards Manager however informed the Board that changes in some areas may well be required in the future to accommodate legal developments, and it would not be advisable to leave a further five years before the Code was next reviewed.

Some Board members raised concerns over the wording and language used in the current Code which had been highlighted by some of the consultees and therefore



they were reluctant to delay any necessary changes. Other Board members considered the changes required to be more substantial. It was also noted that it had been five years since it was last updated.

Board members were mindful that two significant projects were already on hold as a result of the Period Review being delayed, and to add this to the queue could potentially risk delaying the work with no clear timeframe in sight.

The Financial Controller asked the Board to bear in mind that any changes to the Code would have logistical and financial implications and there was no provision in the budget to cover the cost so the Board would need to consider a retention fee increase or use of reserves to cover the cost. It was agreed that any costs incurred in reviewing and publishing a new Code would be funded, either from reserves where they fell in 2016, or from the retention fee, if the expenditure in 2017.

Following discussion the Board agreed to alter the recommendation.

**The Board agreed to instruct the Executive to undertake a detailed review of the Code in 2016 and, if required, publish a new Code in 2017.**

**Proposer: Ros Levenson**

**Secunder: Peter Coe**

**The recommendation was agreed unanimously.**

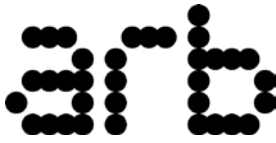
## **10 Reserves Policy**

The Financial Controller introduced this paper, reporting that the policy reflected feedback from Board members, and was in line with the ARB/DCLG Framework Agreement.

It was further noted that following previous discussions with the DCLG, ARB had previously agreed it would build up reserves to cover its liabilities over two years and, that this had now been achieved.

**The Board agreed that:**

- i. The Board's reserves policy was to hold a minimum of the estimated wind-up costs, assessed annually. When calculating this figure, unrealised profit on investments would be included in the calculation;**
- ii. The operating reserves fund should not drop below 4 months operating costs; and to**
- iii. Reclassify capital carry forward (ring fenced project/committed spend),**



**and depreciation as a designated reserve, rather than inclusion in the operational reserve.**

**Proposer: Myra Kinghorn**

**Secunder: Nabila Zulfiqar**

**The recommendation was agreed unanimously.**

## **11 Scheme of Decision Making**

The Financial Controller introduced the paper.

It was noted by the Chair of Audit Committee that this paper had not been presented to the Committee prior to the Board meeting due to logistics and timings.

A Board member voiced a concern that the members of the Operational Management Team (OMG) were not easily identifiable within the scheme. It was agreed that reference to what job roles were included as part of the OMG team would be included in the document.

A Board member also raised a concern that there was no cap on the limit that could be authorised by a member of the Operational Management Team in the Registrar's absence or in the event of an emergency.

*Hans Eisner left the meeting at this point.*

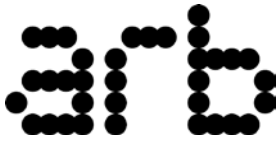
**The Board agreed the amendments to the Scheme of Decision Making at Annex A and amendments to the associated bank signatories' authority requirements, subject to the following changes:**

- i. The membership of the Operational Management Team should be clarified in the Scheme through the inclusion of the relevant role titles; and**
- ii. Under the second paragraph within item 11, the level of Authority should be adjusted to read 'In the event of an emergency, or in the absence of the Registrar, members of the Operational Management Team will be authorised signatories with a limit of £100,000...'**

**Proposer: Neil Watts**

**Secunder: John Assael**

**The recommendation was agreed unanimously.**



## 12 2016 Registration and other Fees

The Registrar presented the paper and reported that it had been feasible to reduce the administration cost for those wishing to return to the Register after being removed for non-payment, the reduction in cost was due to the investment in technology, which had enabled the process to be streamlined further.

It was noted that the Board had felt the recent budget briefing meetings had been very helpful and assisted greatly when looking at budget matters.

**The Board agreed no change to the current fees, as illustrated in Annex A (the retention fee element is subject to separate approval under Agenda Item 14), with the exception of;**

**A reduction to the Prescribed Fee (for Reinstatement applications) from £20 to £10**

**Proposer: Peter Coe**

**Seconder: Richard Parnaby**

**The recommendation was agreed unanimously.**

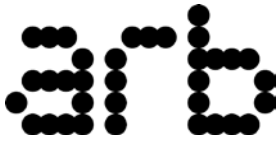
## 13 ARB Priorities and Business Plan 2016

*Hans Eisner rejoined the meeting at this point.*

The Registrar introduced the paper and reported that there had been increase in the number of architects on the Register; an increase in the number of complex prescription applications being received; an increase in the number of PCC hearing days and an increased workload due to the implementation of the revised Professional Qualifications Directive.

One Board member queried the timeline for the Routes to Registration review and felt that a three year timeframe for this seemed lengthy. The Registrar noted that there was a separate scoping paper which had been previously presented to the Board that set out the many facets involved in the Routes to Registration review project, including consultations, transitional arrangements and implementation phases.

A Board member raised concerns over the danger of the project timeframe potentially colliding with the next Periodic Review. The Registrar noted that a discussion would be had with the DCLG about the timing of any further review to ensure the continued smooth running of the Board business and any project plans.



Following discussion, the Board agreed an amendment to the Board's priorities (2014-2016) to include a specific IT development objective.

**The Board agreed:**

- i. the 2016 Priorities, including the addition of the specific IT development priorities;**
- ii. the 2016 Business Plan; and agreed**
- iii. that the Business Plan may need to be reconsidered once the outcomes of the Periodic Review are known.**

**Proposer: Nabila Zuliqar**

**Secunder: Neil Watts**

**The recommendations were agreed unanimously.**

#### **14 2016 Budget (including three year forecast) and retention fee 2016**

The Financial Controller introduced the paper.

A Board member asked how many staff vacancies there were at present. It was clarified that there were currently four vacancies, with two temporary members of staff currently assisting.

The increase in the number of architects joining the Register was noted. The Board agreed that as numbers on the Register had continued to rise for the last two years, the budget should be based on the assumption that this trend would continue.

An error was noted on page 133 of the report and it was agreed that this be amended to E9 (Review and update of Website).

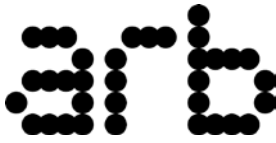
**The Board agreed:**

- i. the budget for 2016 as shown in Annex A, Column 5; and**
- ii. the utilisation of the IT renewal fund for works during 2016 as detailed in item 6 (xii).**

**Proposer: Myra Kinghorn**

**Secunder: Soo Ware**

**The recommendation was agreed unanimously.**



## 15 Appointment to the Investigations Oversight Committee

*Ros Levenson left the room for this item.*

The Registrar explained that a temporary arrangement was required in order to fill a vacancy on the Investigations Oversight Committee (IOC).

The Chair of the Audit Committee advised that there was no conflict with Ros Levenson's current appointment on the Audit Committee that would prevent her being appointed to the IOC.

**The Board agreed to appoint Ros Levenson to the IOC until the next review of the Board's Committee membership.**

**Proposer: Peter Coe**

**Seconder: Richard Parnaby**

**The recommendation was agreed unanimously.**

## MATTERS FOR NOTE

### 16 Review of Routes to Registration

The Head of Qualifications gave an update and reported that due to the ongoing nature of the Periodic Review, work on this review was yet to commence. It was anticipated that the Staff would be in a position to bring the project scope back to the Board in November, if the outcome of the Review was known and ARB was in a position to move the project forward.

### 17 Communication Update

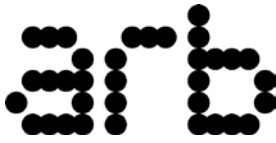
The Communications Coordinator introduced the paper and provided an update in relation to the progress which had been made in all areas of communications and how continued improvements were being made.

A Board member commented that looking forward, communication should be further developed to include diversity and more minority groups.

It was noted that ARB was committed in this area of work and would be looking at how other regulators approach communicating with less heard groups.

The Board thanked the Communication Coordinator for her weekly press cuttings and communication updates which had been very helpful.





**18 Minutes**

The Board noted the minutes of the Remuneration Committee which was held on 22 June 2015.

**19 Any Other Business**

There was no any other business.

**20 Dates of meetings 2015**

19 November 2015

**Dates of meetings 2016**

11 February

21 April – Board Induction Day

12 May– Board Development/Planning

13 May

14 July

15 September

24 November

\*April – Induction Session currently being organized ✓

\* August – Budget Briefing to be arranged