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| Subject | Board member, Committee member, Panel member and Adviser Attendance Allowance | | |
| Status | Open Session | | |
| Purpose | For Decision | | |
| From | Remuneration Committee | | |
| History | Parent Committee | First Submitted | Revision Number |
| | Remuneration Committee | 22/06/2016 | 2 |

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1. Purpose

To review and determine the attendance allowance for Board members, Committee members, Panel members and Advisers, including travel and subsistence payments.

2. Recommendations

It is recommended by the Remuneration Committee that the Board agrees:

- i. To hold the attendance allowance rates for Board members, Committee members, Panel members and Advisers for 2017.
- ii. Once the outcome of the Periodic Review is known, a pay and job specification review be carried out for all ARB roles undertaken (non-staff), including exploration in to the possibility of introducing Dependant Carers Allowances.
- iii. To extend the existing reading time policy for Board members, as outlined in [Annex A](#), with effect from 1 October 2016
- iv. To introduce reading time for Examiners and Independent Examiners as outlined in [Annex A](#) with effect from 1 October 2016. The Prescribed Examination fee paid by applicants should continue to be self-financing, with the savings identified in the areas of training and recruitment for 2016/2017 to be used to fund the additional costs for the remainder of 2016 and 2017.
- v. The travel and subsistence policy will remain the same, pending a review of the rates/ Any recommendations to amend the rates will be brought to the November meeting.

3. Terms of Reference

The Board considers and determines the remuneration of Board members, Panel members and Advisers, including travel and subsistence payments on an annual basis.

4. Open

5. Contribution to the Board's Purpose and Objectives

The appropriate remuneration of Board, Committee, Panel members and Advisers assists ARB in meeting its purpose and objectives to protect the users of architects' services and to support architects through regulation. The level of attendance allowance should demonstrate that ARB is effective and prudent, whilst attracting the right calibre of individual to support the Board in all areas of its work.

6. Key Points

- i. The Board has, since inception, paid a daily attendance allowance, together with travel and subsistence expenses to Board, Committee, Panel members, Working Group members, Examiners and Advisers (current rates attached in [Annex A](#)).
- ii. In addition to the attendance allowance, a reading rate is also available to members of the Prescription Committee and the Investigations Panel with the agreement of the relevant Chairs. Expenses and subsistence are claimed in accordance with the Board's Travel and Subsistence policy. The policy is the same for ARB staff.
- iii. The attendance allowance was last increased in January 2008, when the rate for Board members and a number of others was increased from £250 to £275 per day or part thereof.
- iv. At the Board meeting in June 2010, the Board agreed to reduce its own attendance allowance to £250 per day and reading allowance for the Prescription Committee to £50 per hour. This did not affect any other group, apart from Board members, as after much deliberation, the loss of goodwill, which would have occurred by reducing the rate for those other than Board members was felt to outweigh the financial benefits of a reduction in rate.
- v. In July 2012 the Board, following a review to explore moving from an attendance allowance to an honorarium, agreed to remain with the current attendance allowance system and level of payments, as there were no real financial benefits to ARB in changing.

vi. In July 2013, following a benchmarking exercise, the Remuneration Committee recommended to the Board that no increase to the attendance allowance should be made due to the timing of the Periodic Review and the political, economic environment. The recommendation caused some concern amongst the Board in relation to the following points:

- Some Board members felt uncomfortable about agreeing their own allowances.
- Concerns were expressed that the attendance allowance had been frozen since 2010 (when it was reduced from £275 to £250), and that it was no longer comparable to similar organisations. It was however accepted that other organisations had also held their rates for many years.
- It was suggested that a job specification and benchmarking exercise should be undertaken following any changes to the Board as a result of the Periodic Review. The Board were concerned that membership of its Committees, Advisers and Examiners positions should be available to all appropriately qualified people, no matter what their income or circumstances. This approach ensures equality of opportunity and enhances diversity. The Board stated their commitment to setting a rate which ensures that a high calibre, of diverse individuals feel able to contribute.

vii. In July 2014, as part of the annual review of the attendance allowance, a survey of other regulators and professional bodies was undertaken. This exercise highlighted that the attendance allowance paid currently paid of £250 to Board members remained considerably lower than many other similar bodies. Other bodies' daily rates range between £218 to £353, averaging at around £300.

viii. At its November 2014 meeting, the Board took the decision not to make any changes to the allowances paid, due to the current uncertainties around any possible changes to the constitution of the Board in the future.

The Board restated its commitment to carry out a pay and job specification review for all ARB roles undertaken (non-staff) once the outcome of the Periodic Review became known.

The Board also agreed that an annual review would be undertaken in line with the budget for 2015 and a paper would be brought back to the Board at that point for further consideration.

ix. In November 2015, the Committee made the following recommendation to the Board, which the Board unanimously agreed to.

- That there should be no change to the attendance allowances and reading time paid to Board, Committee members (non- Board), Panel members and Advisors, pending the outcome of the Periodic Review;
 - That all travel and subsistence allowances remain the same for 2016; and
 - Once the outcome of the Periodic Review is known, if appropriate, a pay and job specification review be undertaken for all ARB roles (non-staff), including exploration in to the possibility of introducing Dependant Carers Allowances.
- x. Having undertaken some further brief research (May 2016) into what other regulators are currently paying, the Committee concluded that the attendance allowance paid currently paid of £250 to Board members continued to be considerably lower than other similar bodies.
- xi. The Remuneration Committee were concerned about the widening gap of remuneration paid to ARB Board members in comparison to rates paid by other regulators. It was also concerned that the Board will be going out to advert later in the year for the next cohort of lay Board members and wanted to ensure that ARB is able to still attract the level of skills needed by the Board.
- xii. The Committee also discussed the Board's previous decision, which was, after discussion with the DCLG, to hold the attendance allowance rate until the outcomes of the Periodic Review were known.
- In July 2016 the Remuneration Committee recommended to the Board that the attendance allowance rate for Board members be increased back to the pre 2010 rate of £275.00 with effect from 1 August 2016
 - At the July Board meeting, the Board deferred the agenda item on Attendance Allowance and Travel Subsistence to the September meeting. It was agreed that the DCLG would provide benchmark information for the September meeting.
 - Since the 25 August the Remuneration Committee held a meeting to review the paper deferred by the Board in July and review the existing reading allowance policy for Board members and all external advisers, including Investigation Panel members, Examiners and Independent Examiners etc.

The Committee concluded that as the outcome of the Periodic Review is expected in the Autumn, their previous recommendation to increase the daily attendance allowance should be deferred until the outcomes of the review are known, at which time a pay and job specification review should be carried out, as previously agreed by the Board.

Having reviewed the existing policy on reading time for Board members and all external advisers, the Committee agreed to recommend to the Board that reading time be extended for Board members and introduced for Examiners and Independent Examiners. The rate claimable would be capped per meeting type. Please see [Annex A](#) for the proposed rates.

The Committee discussed the funding of the recommendations. Further information on the cost below, 7- Resource Implications.

- To ensure the travel and subsistence rates and guidance reflect best practice, the Committee are also recommending that the Board holds the current allowances claimable under the travel and subsistence policy. The Committee have requested that the Registrar undertakes a benchmarking exercise and reports back to the November Committee. Any amendments to the policy will be brought to the November Board meeting.

7. Resource Implications

Any change to the existing policy will affect the budget for 2017. Based on the proposed set hours per Board and Committee as illustrated in [Annex A](#) at a rate £50 an estimated increase in expenditure in the area of Board expenses will be approximately £16,350. The change outlined above can be contained within existing resources for the remainder of 2016 and within the overall proposed budget for 2017, without an increase to the retention fee.

In relation to the introduction of a fixed amount of reading time for Examiners and Independent Examiners the estimated annual cost is £16,000. The Committee are recommending to the Board, in line with the Board's policy that the Prescribed Examination should be self-financing, that any additional expenditure should be funded from the income generated by application fees, unless efficiencies can be found within the Prescribed Examination expenditure budget.

Funding the Recommendations

- Extension to reading allowance policy Board members
- The additional expenditure can be funded within the expected income for 2017

Introduction of reading allowance for Examiners and Independent Examiners

In light of the Committee's recommendation to introduce reading time for Examiners and Independent Examiners, the Head of Finance, in discussion with the Registration team, reviewed the anticipated expenditure for 2016 and 2017 in the area of training and recruitment. Efficiencies are possible due to the re-alignment of the recruitment exercise

starting in Autumn and the combination of the 2016 and 2017 training days.

The anticipated savings of £32k could be used to fund the shortfall for 2016 and 2017, enabling the application cost of the Prescribed Exam to be held for the remainder of 2016 and 2017. The cost of the Prescribed Exam would then form part of the annual review of fees chargeable in the normal way in September 2017, when fees are set by the Board for the following year.

8. Risk Implications

It is important that we continue to attract and retain high quality individuals who deliver key roles, in the most efficient and effective manner.

It is also important that the Board has a consistent and fair policy in place for payment of attendance allowances and reading rates across the wide range of individuals and groups who undertake non-staff roles.

9. Communication

The Board needs to ensure that its policies for payment of attendance allowances and reading times are set at a level where it attracts the skills and expertise required by the Board.

10 Growth Duty Considerations

The Board has a duty to consider the regulatory burden its decisions will have on business, and this will include the costs of regulation. While the Board should ensure that the Board members, Panel members and Advisers are appropriately remunerated, this must be balanced against the financial and resource costs, which are ultimately borne by the profession and in the case of those undertaking the Prescribed Examination, applicants.

11. Equality and Diversity Implications

These are considered within the above paper as the attendance allowance must 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; however, ARB continues to pay an attendance allowance to assist those wishing to participate.

If the Prescribed Examination fee is increased the increase in cost could have equality and diversity implications. An impact assessment has not been carried out.