



Minutes of Board Meeting held on 23 November 2017

Location	Present	In Attendance
8 Weymouth Street London W1W 5BU	C Bernstein, J Bill, C Corby, J Grierson, A Hynes, R Levenson, G Maxwell, S McCarthy, R Parnaby, S Roaf, J Singh, D Walker, S Ware, N Zulfiqar (Chair)	K Holmes (Registrar) E Matthews M Stoner S Howard R Jones I Gillen-Smith (Minutes) S Hogan (Minutes)

Note

Action

1. Apologies for Absence

Apologies were received from Alex Wright.

2. Members' Interests

The Register of Interests was noted.

The Chair requested that Members declare their interests for each item of the session, as appropriate.

The following declarations of interest were made in relation to the agenda:

Richard Parnaby made the following declaration of interest:

- Member of the RIBA Council

Jason Bill made the following declaration of interest:

- Member of the RIBA Council

Soo Ware made the following declaration of interest:

- Member of the RIBA

3. Minutes

The Board approved the open session minutes of the meeting held on 14 September 2017, subject to an amendment on page 4 regarding the Reserves Policy Review. It was agreed that the typographical error should be corrected so that the sentence should read "The Head of Finance and Resources also reported that the current reserves were slightly below the four months required in the

**Policy”.**

It was also agreed that the attendance allowance on page 9 be amended from £275 per day to £375 per day as agreed at the September 2017 Board meeting.

Proposer: Jagtar Singh

Secunder: Richard Parnaby

4. Matters Arising

A Board Member asked if there had been any feedback about the change to the daily allowance for Board members.

The Registrar confirmed that there hadn't been any.

A Board Member queried whether there had been any further consideration of the possibility of an inhouse lawyer. The Registrar confirmed that the possibility of an inhouse lawyer would be further considered in the Section 14 review.

A Board Member queried whether there would be a gap between the departure of the existing Communications Lead and the start of the new Communications Lead. The Registrar confirmed that the Communications Lead vacancy would be filled in February 2018. Between now and that time there would be a gap which would be managed internally.

5. Chairman's Report

The Board noted the Chair's report.

The Chair reported that she had attended a Public Chairs Forum workshop on Brexit. She commented on the need for the organisation to plan for all possibilities and consider any impact, post-Brexit, on the organisation's income streams, identification of customer needs, understanding of risks to the organisation and making contingency plans to mitigate these risks.

The Chair reported that Richard Parnaby had recently attended a Public Chairs Forum session on Standards in Public Life hosted by Lord Bew. Richard agreed to circulate his notes of the meeting following the Board meeting.



The Chair reported that she and the Registrar had attended a constructive meeting with the RIBA President, Ben Derbyshire. It was noted that feedback as to how the ongoing discussions between ARB and RIBA were progressing would be provided on a regular basis.

The Chair confirmed that she had completed most of the Board Member appraisals. The Chair thanked members for their input, suggestions and constructive feedback.

The Chair advised that she had noted common themes arising from the appraisals and confirmed that a report would be formulated and built into business planning with a view to implementing some of the ideas for improvement suggested by Board Members. She also confirmed that a report would be brought to the Board in February 2018.

A Board Member asked for clarification on what was meant by 'themes'. The Chair confirmed that they are common issues Board Members would like the ARB to consider such as reviewing the strategic direction of the organisation, training and induction, information sharing and engagement with stakeholders.

The Chair reported that she and the Registrar had met with the President Elect and Chief Executive of the Chartered Institute of Architectural Technologists to discuss matters of common interest in the wider built environment arena.

ARB's Operational Activities

The Board noted the report from the ARB team on matters relating to the running of the Board's business.

A Board Member suggested that in future, more detail could be included about the value of ARB's attendance at conferences and events.

A Board Member asked a question about the staff gifts and hospitality register. The Registrar confirmed that the organisation had such a register and reference to it was made in the Staff Handbook. The Registrar also confirmed that her expenses were published and signed off by the Chair.

A Board Member asked a question about the possible introduction of the European Services E Card.



The Head of Qualifications and Governance advised that new legislation on this subject was being discussed by both the European Council and European Parliament, but that progress had been very slow.

A Board Member suggested that to increase ARB's reach through social media communications, the organisation should consider employing an individual to act as a gateway and assist with techniques for maximising social media engagement. The Registrar noted the suggestion and said she would be discussing the organisation's social media reach with the Communications Lead who would be joining the organisation in February 2018.

A Board Member asked about the Head of Professional Standard's attendance at the Professional Associations Research Network. The Head of Professional Standards confirmed that this was an opportunity to share best practice in respect of complaints handling, and the information gathered would feed into the Section 14 review.

7. Periodic Review Update

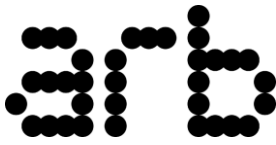
An update was provided by the Registrar and noted by the Board.

The Registrar confirmed that she had no update in relation to the recruitment of an all-appointed Board and that the position remained the same as set out at the September Board meeting.

The Registrar advised that the Department for Communities and Local Government (DCLG) had an initial email exchange with the Ministry of Justice to explain the policing of the protection of title fines review and the recommendation and rationale behind it. It was confirmed that a face-to-face discussion was yet to take place between the two Departments.

The Registrar confirmed that the DCLG provided an update on the powers of direction. The recommendation had not proceeded as quickly as hoped. The Registrar confirmed that an update would be provided to the Board in February.

The Registrar confirmed that that the DCLG would be taking forward the Parliamentary Ombudsman's recommendation. A proposed approach would be presented at the February Board meeting.



The Registrar informed the Board that the DCLG had no update with regard to the power to charge, but assured the Board that it remained a priority.

The Registrar additionally provided an update from the DCLG on matters relating to Brexit. She advised that the EU Withdrawal Bill was proceeding through Parliament. Negotiations with the EU were continuing to feature aspects of mutual recognition, and the Registrar confirmed that the DCLG was representing the interests of the architect sector working in close partnership with the Department for Business, Energy and Industrial Strategy.

The Registrar advised that the DCLG was continuing to work through the changes that would need to be made to the Architects Act to ensure it remained operable after March 2019. She also advised that it was beginning to look at how ARB's functions, operation and legislation might need to change if no agreement was reached with the EU in relation to the mutual recognition of qualifications.

The Registrar confirmed that the DCLG and ARB were continuing to progress expressions of interest from countries wishing to set up mutual recognition agreements. It was confirmed that these discussions were in partnership with the Department for International Trade and the Department for Exiting the European Union to ensure alignment to wider trade relationships with these countries.

The Head of Qualifications and Governance advised that the signing of the architect-specific agreement between the EU and Canada had been delayed to Spring 2018, but that EU-level talks with Korea and Mexico were moving forward.

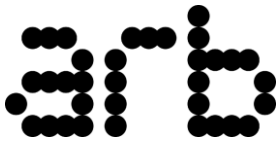
The Registrar also advised that the Chair had asked to meet with the Minister of State of Housing and Planning, Alok Sharma, and was awaiting a reply from his office.

8. Management Accounts & Year End Forecast

This item was introduced by the Head of Finance and Resources.

A Board Member commented that they would like to see more graphs, charts and infographics included in the management accounts report. The Head of Finance and Resources confirmed that this would be considered.

A Board Member queried ARB's defined pension scheme for staff and where contributions were shown. They suggested that it would be useful to be provided with an update on the pension scheme.



The Head of Finance and Resources confirmed that the pension advisor attended the Remuneration Committee once a year and advised on any changes in legislation. The pension advisor also provided a verbal report which was reflected in the Committee's minutes. The Head of Finance and Resources confirmed that there were no liabilities ARB was responsible for and that the organisation was not running a deficit. The Head of Finance and Resources also confirmed that the Board was provided with an update through the Remuneration Committee's minutes presented at the September 2017 Board meeting.

A Board Member suggested that if a risk emerged and was identified by the Remuneration Committee, it should be passed on to the Board. This was noted and agreed by the Registrar.

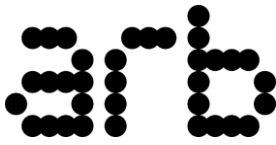
Another Board Member commented that the organisation was continuing to build reserves through unspent expenditure and increased income. The Head of Finance and Resources advised that the organisation was required to hold the closure costs in accordance with the Framework Agreement along with any other operational reserves required to fulfil the Board's current policy. He also advised that if ARB should move, the organisation may require the use of a substantial amount from its reserves for any relocation costs.

The Registrar advised that the additional surplus this year was mainly due to the decrease in the number of professional standards conduct cases. A Board Member commented that it was important that ARB had sufficient reserves for things such as any potential move and additional members of staff. After discussion the Board was of the view that the reserves were currently appropriate and in line with the Board's policy in this area. It was noted that further discussion may be necessary in the future if reserves were to increase significantly.

One Member commented on the reduction in the number of applicants to the Register from the EU and suggested that there could be a further decrease next year.

Another Member commented that there was a level of uncertainty regarding Brexit and that the reserves could be utilised in connection with issues associated with Brexit, such as a fall in registrants, if necessary. It was confirmed that staff were monitoring the registration statistics closely and would inform the Board if there were any significant issues arising from these.

A Board Member queried what had caused the unexpected drop in Professional Conduct Committee cases and whether it was a temporary phenomenon.



The Head of Professional Standards confirmed that there did not appear to be any reason for the reduction in the number of cases. The department dealt with relatively small numbers of cases so any small increase or decrease looks more statistically significant than it really was. There had, however, been recently an unusually high number of adjournments and part-heard cases, and he was discussing with the Professional Conduct Committee how these could be better managed.

MATTERS FOR DECISION

9. Business as Usual Reviews of the Criteria and the Procedures for the Prescription of Qualifications and Criteria Review

Both items were discussed together.

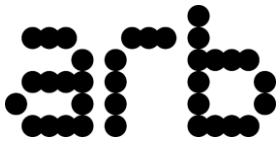
The Head of Qualifications and Governance brought section 8 of the paper to the attention of the Board. She went on to advise that great care would need to be taken with regard to the criteria review as there could be an impact on other areas of the organisation's work.

The Board considered the recommendations of the Task and Finish Group.

The Board considered the additional information provided by the Head of Qualifications and Governance. The Board concluded that it wished to continue with the criteria review.

The Board

- i. noted the summary of the pre-consultation feedback relating to the criteria review and noted the positions of the Quality Assurance Agency and the Royal Institute of British Architects (RIBA);**
- ii. agreed that the Task and Finish Group's recommendations should form the basis of the next steps of the review, i.e., the Criteria Task and Finish Group should review these areas of the criteria;**
- iii. agreed that ARB's Task and Finish Group should continue with its work, whilst ARB holds discussions with the RIBA to determine whether alignment between the Board's objectives and the Task and Finish Group's recommendations with the RIBA's aspirations can be achieved (Option 1 within the paper); and**



iv. noted that ARB would need to engage with the DCLG to ensure that any next steps were clearly understood and that the Department's concerns around undertaking two reviews in succession and destabilising the UK's position whilst exiting the EU and possibly negotiations with the rest of the world had been considered.

The decision was agreed unanimously.

Procedures Review

This item was discussed together with item 9.

This paper was introduced by the Head of Qualifications and Governance.

One Member queried what would happen if ARB was unable to rely on the RIBA's visiting board reports. It was noted that one option could be for ARB to create and train a pool of external examiners. The Registrar confirmed that if this was to happen, the organisation would need to undertake a risk analysis.

A Member suggested that it might be useful for the Task and Finish group to consider how the views of students could be included in ARB's prescription process.

The Board:

- i. noted the summary of the pre-consultation feedback in relation to the procedures review;**
- ii. agreed the Task and Finish Group's recommendations as set out in key point iii. and the staff suggestions set out in key point iv. should form the basis of the next steps of the review; and**
- iii. agreed to instruct the Task and Finish Group to develop revisions of the procedures ready for consideration within the timeframes set out in the project plan, subject to any concerns from the DCLG.**

The decision was agreed unanimously.



10. Annual Report from the Investment Broker and Discussion on the Investment Strategy

James Malcolmson, Executive Director at Quilter Cheviot Investment Management (the Broker), provided the Board with an update on the performance of the Board's investment portfolio.

A Board Member queried whether it was correct that from 18% of investment, the organisation had made 4% return. It was explained that from an 18% investment a 12% return was made, but the weighted return produced 4%.

One Member requested clarification on the asset allocation plan and another raised a query about the short to medium term market. It was confirmed that the market was likely to be stable for the next six months and that historically the market has been very resilient.

The Board questioned the low return on the gilts and asked how a greater return may be made. The Head of Finance and Resources explained that if the Board chose to stay with lower risk, the capacity to improve the return was limited. However, if it increased its risk to lower/medium, it would give the flexibility to make changes.

The Board discussed the current Investment Policy and decided to change its policy for lower risk to lower to medium risk, allowing for a revised asset allocation.

It was explained that the Registrar and the Head of Finance and Resources could discuss the detail of asset allocation with the investment broker and update the Board on this as appropriate.

The Board agreed to delegate responsibility, in line with the Board's revised investment policy, for making the decision as to how funds should be allocated to the Head of Finance and the Registrar, on advice from the investment broker.

- **The Board agreed to amend the policy from 'lower' to 'lower to medium'.**
- **The Board also agreed to delegate the decision of detailed asset allocation to the Registrar and Head of Finance and Resources.**
- **The Board requested that an update be presented at the February 2018**



meeting.

- **The Board agreed to formally reappoint Quilter Cheviot for 12 months.**

The recommendation was agreed unanimously.

MATTERS FOR NOTE

11. Architects Code: Standards of Conduct and Practice

The Board noted the report on the introduction of the revised Code.

12. Board Effectiveness Review

The Board noted the Board Effectiveness Review paper.

A Board Member queried whether it would be possible to see how the Board Effectiveness Review related to the appraisal process. The Registrar confirmed that they did not strictly relate to one another. The Registrar advised that the Board Effectiveness Review was about the Board as an entity whilst the appraisal process related to Board Members as individuals. However, it was noted that a summary of any relevant themes arising from the appraisals could be included as a section of Board Effectiveness report.

13. Update on Equality and Diversity

The update/Annual Report on equality and diversity was noted.

The Head of Professional Standards presented a draft Equality and Diversity Framework for measuring ARB's performance against its objectives for the next three years. The Head of Professional Standards encouraged Board Members to provide him with their feedback on the Framework document. A revised Framework would be brought to the February Board meeting for approval.

The Chair advised that the framework could be linked into policy decisions that may take place in the future.



14. Minutes

The Board noted the draft minutes of:

- i. the Remuneration Committee on 31 August 2017
- ii. the Audit Committee on 10 October 2017

15. Any Other Business

There was no other business.

16. Dates of meetings 2018

14 February 2018

10 May 2018

11 May 2018 (Board Development Day)

19 July 2018

14 September 2018

29 November 2018