



Subject Staff Benevolent Fund Transitional Arrangements

Purpose For Decision

From Karen Holmes, Registrar and Chief Executive

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1. Summary

To agree interim changes to the governance arrangements of the Staff Benevolent Fund (SBF). This will enable the fund to operate during the transition period between the existing Board leaving and the new appointees joining and ensure access to the funds for those experiencing difficulties or in need.

2. Recommendations

It is recommended that the Board:

1. Appoint the Registrar and Head of Finance and Resources to act as Trustees for the SBF (duties are restricted in the Fund's Declaration to overseeing the finances of the Fund) until the new Board is in place and appoints new Trustees.
2. Appoint the existing SBF Committee members (Suzanne McCarthy, Nabila Zulfiqar and Richard Parnaby) to consider any applications made to the Fund until the new Board is in place and appoints new members.
3. Appoint one additional SBF Committee member (name TBC) to ensure the required minimum number of three (required in the Fund's Declaration) would be maintained in the event of the loss of any present member until the new Board is in place and appoints new members.

3. Open Session

4. Contribution to the Board's Purpose and Objectives

In delivering the Act, ARB's objectives are to protect the users and potential users of architects' services and to support architects through regulation. The SBF contributes to the welfare of staff and former staff and thereby assists in the perception of the ARB as a good employer.

5. Key Points

- i. The Board is responsible for a SBF which was established by a Declaration of Trust dated the 28th April 1968 and amended with effect from the 6th February 2006.

Clause 3 of the Declaration establishes the purposes of the SBF. It states:

“3. []

The Declaration requires the SBF to be administered by a Committee of three or more persons appointed by the Board. The Declaration also provides for not less than two nor more than three trustees and requires the trustees to hold or control the assets of the SBF. The trustees are presently the Chair, Vice Chair and Chair of the Audit Committee ex officio.

The three Committee positions are held by the Chair of the Audit Committee (who chairs the SBF Committee), the Chair and Vice-Chair of the Board. The Declaration permits the Board to appoint anyone to the Committee but trustees must be “officers” of the Board. For a period there may be no Board members who qualify as “officers”. The Registrar is certainly an officer but it is uncertain whether other employees are within the definition of “officers”. A second trustee however is required to comply formally with the terms of the Declaration.

We have identified that it would be prudent to have in place transitional arrangements for the smooth running of the SBF. It is important that the Fund is still able to operate during the Board changeover period.

With the changeover approaching, we are recommending that until the new Board appoints three officer holders (Board members), we put in place the following arrangements.

1. Appoint the Registrar and Head of Finance and Resources to act as Trustees for the SBF (duties are by the Fund Declaration restricted to holding and investing the assets of the Fund).
2. Re-appoint the existing SBF Committee members (Suzanne, Nabila and Richard) to the SBF Committee to consider any applications made to the Fund until the new Board is in place and appoints new members.
3. Appoint an additional Committee member against the contingency of one of the existing members being unable to continue in circumstances in which there will no Board to make a replacement appointment and a minimum of three members is required by the Fund Declaration.

6. Resource implications

All committee level expenditure is accounted for in the Board’s budget.

7. Risk Implications

If Trustees and Committee members are not appointed, applications made to the SBF from the 6 January 2019 will not be able to be considered. Having a pro-tem arrangement in place will enable the Fund to be administered in the event of any delay to the appointment of the newly constituted Board. The assets of the Fund are limited (Approximately £50,600) and held in a single bank account already under the control of the Registrar and the Head of Finance and accordingly their role as interim trustees will be passive and no investment decisions are expected to be required. The risk of not having the required two trustees is greater than the risk that the appointment of the Head of Finance might be challenged. The trustees are not expected to make any decisions during the relevant period.

8. Communication

The Board has put in place pro-tem arrangements to enable the smooth operation of the Staff Benevolent Fund until the newly constituted Board populates its Committees.

9. Equality and Diversity Implications

When populating Committee membership, consideration is given to the gender balance of each Committee, along with due regard to the Board's appointed and elected corporate governance structure.

Not having in place the interim arrangements could have an impact on individuals who are in need or facing difficulties to be able to access SBF funds.

10. Further Actions

Once the new Board is in place, Board members will be available for appointment. At such time, both the Registrar and Head of Finance and Resources will cease being Trustees of the fund.