



Minutes of Board Meeting held on 29 November 2018

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

Note	Action
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Note: the Board took all items from the Confidential Session prior to the Open Session to utilise time efficiently. James Malcomson of Quilter Cheviot (the Board's Investment broker), was present for agenda item 5 which was taken out of sequence.

Apologies for Absence

1. Apologies were received from Caroline Corby.

2. Members' Interests

The updated Register of Interests was noted.

There were no additional declarations to the declaration forms submitted in respect of the open session agenda items.

The Chair and Vice Chair declared an interest in agenda item 9. Suzanne McCarthy would act as Chair for this item.

3. Minutes of the open session meeting of 11 September 2018

The following changes to the minutes were agreed:

- On page 6, the final line on the decision section should read 'The decisions at (ii), (iii) and (iv) were unanimous.'
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The Board approved the minutes of the meeting held on 11 September 2018, subject to the amendment noted above.

Proposer: R Parnaby

Seconder: J Grierson

The decision was unanimous.

4. Matters Arising Report

The Board noted the updated report on actions agreed from previous meetings.

MATTERS FOR DECISION

5. ARB's Investments

The Head of Finance & Resources reported that the Board had changed its investment strategy in November 2017 from a 'lower' risk profile to a 'lower to medium' risk profile. This in turn increased its exposure in equities from up to 25% to up to 50% and the suggested investment period increased from one year or more to three years or more. He added that section iv on page 2 of the Board paper should say 'Please see viii below.'

The Board received a presentation from the Board's Investment Broker of Quilter Cheviot. He said the Board's new investment strategy, agreed at its November 2018 meeting, was implemented in February 2018 once a decision had been taken on the office lease.

The Board's Investment Broker spoke of the uncertainty in the financial market caused by issues such as Brexit, the US president, the value of sterling and the potential of a general election. The Board was reassured that the Investment Broker was in regular contact with the Head of Finance & Resources and should the investment profile need to be amended to 'de-risk' due to market conditions early action could be taken. He also confirmed that he would speak with the Registrar and Head of Finance & Resources to ascertain the Board's attitude before making any changes to the Board's investments. The Board was reminded that its strategy was **up to 50%** in equities but that this could always be reduced.



The Board noted that the benchmark was to hold 50% of equity in the home currency but that the Board's investment broker had not done so, holding 13.21% in the US as the return in the US was greater. The Board queried this and noted that three out of five funds in the US were spending more on servicing costs than making an estimated income. The Board also noted that its investments were under performing the set benchmark. The Board's Investment Broker said financial growth in the US was higher than in the UK and reminded the Board to bear in mind the cost of buying and investing and that it must consider the three to five year time horizon of which it was on year one.

The Board queried the relationship between Quilter Investors Limited and Quilter Cheviot who were cited in the paper. It was confirmed there was no conflict of interest and they were a parent company and an arm's length organisation.

The Board noted that on 14 December 2017 £1,300.75 was spent on the execution cost for a particular purchase. The Board's Investment Broker confirmed that he would look into this and if a refund was due to ARB he would arrange this with the Head of Finance.

Some Board members were mindful that the Board was speaking about Registrant's money and that considerable volatility over the next three years may have a negative impact on the Board's investments. It was queried whether moving back to a lower risk strategy would be wise due to the modest profit the current lower to medium risk strategy may yield.

The Board agreed that presenting statistics on a year to year basis so that it could look at total assets and performance would be useful.

The Board agreed that the Investment Broker should return and speak to the new Board so that it can consider its investment strategy.

The Board agreed that it would remain with its current 'medium' attitude to risk based on a three to five year time horizon and noted that it may need to tolerate some volatility. It was agreed that recommendation 2(i) should be amended to include the following: 'asset allocation should be with a maximum 50% equity exposure through funds'.

The Board agreed that the Registrar, Head of Finance & Resources and the Board's Investment Broker should meet to reflect on the Board's discussions, consider a



mechanism whereby the Board could be convened to mitigate against any major market volatility and any changes needed to its investment strategy. An update should be provided to the Board at its 19 December 2018 meeting.

The Board agreed to reappoint Quilter Cheviot for a further 12 months.

Subject to the additional points noted above, i.e., the Board agreed that:

i. No change is made to the Board's current attitude to risk and the strategy should remain as:

- i. Protect the real value of capital**
- ii. Any asset allocation should be a maximum of 50% equity exposure through funds**
- iii. maintain required liquidity.**

The Board additionally agreed that the Registrar, Head of Finance and Resources and the investment broker should meet to discuss the Board's investments and report back to the Board at its meeting on 19 December 2018.

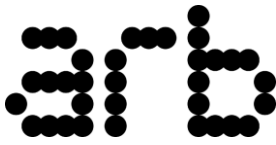
**Proposer: A Hynes
Seconder: J Grierson**

12 Board members supported the recommendations and 2 Board members voted against the recommendations.

The Board agreed to re-appoint Quilter Cheviot for a further 12 months.

**Proposer: S Ware
Seconder: R Parnaby**

The decision was unanimous.



6. Investigations and Professional Conduct Committee Rules

The Board noted the consultation responses and queried the value of a minimal response. The Head of Professional Standards reminded the Board that ARB had a duty to consult when changing rules that were required under the Act and it was reiterated that it was important that stakeholders had the opportunity to comment.

The Board raised a point of clarity in terms of what defined an expert adviser as outlined in the Rules. The Head of Professional Standards commented that these Rules were intentionally high level and that further detail on what defined an expert adviser and how one would be appointed would be made available in supplementary guidance that would sit underneath the Rules. It was added that an expert adviser may not be restricted to being an architect, but depending on what expertise was required, would likely be a professional registered with another professional or regulatory body.

The Chair had raised queries in respect of the potential savings as a result of the changes, the definitions within the rules, and the role of the Clerk directly with the Head of Professional Standards. She said that she had received satisfactory assurances.

The Board agreed the changes to the Investigations and Professional Conduct Committee Rules, subject to noting the comments above in relation to the guidance document.

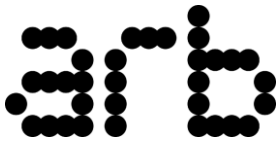
Proposer: R Levenson

Seconder: A Hynes

The decision was unanimous.

7. General Rules

The Head of Qualifications & Governance explained that changes to the General Rules were necessary in order that they realign with the Statutory Instrument relating to the constitution of the Board. The new Rules would become effective from 7 January 2019. A short consultation would be needed because these were Rules of the Board. The proposed changes would therefore be put on our website for 14 days and any representations received would be brought back to the Board at its meeting on 19



December 2018.

It was confirmed that this set of Rules were designed to allow the new Board to operate and would be looked at again by the new Board once it had become established.

The Head of Qualifications & Governance noted that she had received a number of tidying amendments and spelling corrections prior to the meeting which would be actioned.

The Board queried a reference to the Architects Act 1997 (Amendments etc.) Order 2018 within the General Rules. The Registrar confirmed that the Statutory Instrument was a government document that she had previously circulated to the Board.

The Board queried why it was stated in the Rules that a former Board member may not be appointed to serve on the Professional Conduct Committee. The Head of Professional Standards confirmed that this was included within the text of the aforementioned Statutory Instrument and based on High Court case law and best practice.

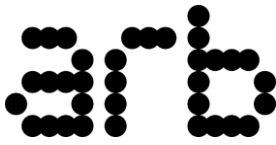
The Board also queried the omission of the Vice Chair role in the Rules. The Head of Qualifications & Governance replied that there was no provision for the Vice Chair role in the amended Architects Act 1997 coming into effect on 7 January 2019. She added that this was a role that the Board agreed; it would therefore be appropriate for the new Board to consider if it wished to appoint a Vice Chair and establish a process for doing so once it was established. The Registrar added that the Vice Chair role would also need to be discussed with MHCLG as it now appointed the Chair.

The Board agreed to issue the amendments to the General Rules for consultation.

The decision was unanimous.

8. Board Members Handbook

The Board considered amendments to the Board Handbook which had been proposed in order to realign it with the amended Architects Act 1997 coming into effect on 7 January 2019.



The Head of Qualifications & Governance confirmed that the amendments would become effective from 7 January 2019; that this version of the Handbook was designed to allow the new Board to operate, and that the Handbook would be looked at again by the new Board once it had become established.

The Board queried the following:

- removal of 'unacceptable professional conduct' and 'serious professional incompetence' from section 2.1
- the removal of 'Delivery of the Architects Act 1997' as a Board key aim in section 2.1
- the inclusion of the 'Registrar has the vires to set up task and finish groups' in section 2.7

In response to the above, the Registrar and Head of Qualifications & Governance confirmed that the new handbook was intentionally high level. It was confirmed that no changes were to be introduced to how the Board managed complaints about architects. It was noted that the new Handbook was aligned with the Board objectives and six key values as agreed by the Board at previous development days. It was agreed that the text in section 2.7 should be amended from 'Where appropriate, the Registrar has the vires to set up task and finish groups...' to 'Where appropriate, the Board and/or Registrar has the vires to set up task and finish groups...'

The Board agreed amendments to the Board Handbook, subject to the minor amendment to section 2.7 noted above.

The decision was unanimous.

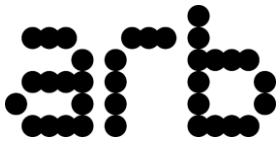
9. Hackitt Working Group 7

Nabila Zulfiqar and Richard Parnaby left the meeting at this point

The Chair of the Audit Committee acted as Chair. Suzanne needs to check this section of the minutes.

The Head of Professional Standards introduced this item and noted that the recommendation was that the Chair and Vice Chair continue to co-Chair Working Group 7 regardless of whether they were reappointed as Board members.

The Board discussed a potential conflict whereby the recommended appointees may have been in a position to make recommendations as part of the Working Group while



not holding the position of Board members. The Head of Professional Standards confirmed that the Working Group had no power to impose any decisions on ARB and the need for continuity on the Working Group as its work was due to be completed by April 2019.

Board members noted that Nabila Zulfiqar and Richard Parnaby were appointed by the Board as Working Group members due to their roles as Chair and Vice Chair and queried whether the Working Group would have had any reservations if they were not reappointed to the Board in these roles. It was added that as non-Board members the Chair and Vice Chair may not be privy to the level of information the Board had access to and this may negatively impact on their capacity to Chair the Working Group. The Registrar confirmed that the new Board, like the existing Board, could make any information it deems necessary to those appointed by the Board.

Some Board members were uncomfortable with the notion of reappointing the Chair and Vice Chair to the Working Group and felt that this decision should be taken by the new Board as early as possible after it had been established. It was noted that a deadline of April 2019 could apply to the reappointment. The Registrar reminded the Board that it was prudent to plan for a delay in the MHCLG timeline and for the need to have smooth operation of the Working Group in the interim as ARB were asked to Chair the Group.

While noting the above view, other Board members felt that due the importance of the Working Group and the potential negative impact on ARB's reputation the Chair and Vice Chair should be reappointed. It was added that the Chair and Vice Chair held the confidence of the current Board and of the Working Group.

After further discussion and debate, the Board proposed a change to the recommendation within the paper and instead proposed and agreed that subject to the Industry Response Group confirming that it was content, the current Chair and Vice Chair should continue as co-chairs of Hackitt Working Group 7 until April 2019.

The Board agreed Nabila Zulfiqar and Richard Parnaby should continue to co-chair Hackitt Working Group 7 until April 2019, subject to the Industry Response Group confirming that it was satisfied for Ms Zulfiqar and Mr Parnaby to continue in the event that they were no longer Board members after 6 January 2019.

7 Board members supported the recommendations and 5 Board member voted against the recommendations.



10. Staff Benevolent Fund

Nabila Zulfiqar and Richard Parnaby remained out of the room for this item and Suzanne McCarthy (Chair of the Staff Benevolent Fund) also left the meeting at this point.

Alice Hynes also left during this agenda item at the point when the Board took a vote on her appointment as an additional Staff Benevolent Fund Committee member.

Jagtar Singh acted as Chair in her absence.

The Registrar reported that interim arrangements were required in relation to the Trustees of the Staff Benevolent Fund (SBF) to ensure that there was access to the fund during the transitional period to the new Board. She noted that the Chair of the Audit Committee (Suzanne McCarthy), Nabila Zulfiqar (Chair of the Board) and Richard Parnaby (Vice Chair of the Board) were current Committee Members/Trustees. The Board could appoint anyone to the Committee, Board members and/or staff.

The Registrar clarified that the recommendation to the Board was to appoint the Registrar and Head of Finance and Resources to act as Trustees for the SBF, to re-appoint the existing SBF Committee members until the new Board was in place to appoint new members and to add Alice Hynes as an additional Committee member against the contingency of one of the existing members being unable to continue.

The Board agreed to the recommendation and included a time limit of April 2019 when the new Board would make its appointments.

The Board agreed changes to the appointment of the Trustees of the Staff Benevolent Fund including appointing Alice Hynes as an additional Committee member subject to the additional of a time limit of April 2019, as per the following:

- 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 (Alice Hynes) 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.

9 Board members supported the recommendations and 1 Board member abstained.

Nabila Zulfiqar, Richard Parnaby, Suzanne McCarthy and Alice Hynes re-joined the meeting at this point.

11. Prescription Committee Terms of Reference

The Head of Qualifications & Governance explained that changes were needed to the Prescription Committee's Terms of Reference to allow the Committee to continue to operate from 7 January 2019 until a new Committee was appointed by the new Board. A short consultation would be needed because these are included in the Procedures for the Prescription of Qualifications which were Rules of the Board. The proposed changes would therefore be put on the ARB website for 14 days and any representations received would be brought back to the Board at its meeting on 19 December 2018.

The Head of Qualifications & Governance noted that this set of changes to the Terms of Reference were designed to allow the new Board to operate and would be looked at again by the new Board once it had become established.

The Board queried the fact that the Terms of Reference stated that the Prescription Committee Chair could add further Independent Advisers to the Committee. The Head of Qualifications & Governance confirmed that this was always the case and the composition of the Committee would be looked at by the new Board once it was established.

The Board agreed the amendments to the Terms of Reference, subject to a 14 day consultation in early December 2018 and a decision made at the Board meeting on 19 December 2018.

The decision was unanimous.



12. Investigations Oversight Committee Terms of Reference

The Head of Professional Standards introduced this item and the Board did not raise any questions.

The Board agreed the revised Investigations Oversight Committee Terms of Reference as per Annex A to the Board paper.

The decision was unanimous.

STANDING ITEMS FOR NOTE

13. Chair's Report

The Board noted the Chair's Report.

The Chair told the Board that she and the Registrar would be meeting with the RIBA on 6 December 2018.

The Registrar confirmed that the company Pye Tait had been appointed to carry out the stakeholder research project in 2019.

The Board was pleased that the Chair and the Executive Team had discussions with students who were seen to be key stakeholders. The Registrar confirmed that she had been in contact with the group since the meeting noted in the Chair's report and more in-depth conversations were planned.

14. Operational Activities Report

The Board noted the Operational Activities Report. The Registrar and Executive Team summarised some of the key activities outlined in the report.

The Head of Registration clarified that in the July and September operational activities report, the number of emails sent by the team in the report was in fact the number of emails received and sent by the team.



He added that in relation to the Prescribed Examination review, it had been decided that a paper would be brought to the 19 December Board meeting to align with the Criteria and Procedures reviews. He noted that EU applicants to the Register figures for the final quarter of 2018 were similar to numbers seen in 2017, despite a reduction across the year as a whole.

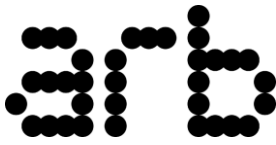
He noted that EU applicants to the Register figures for the final quarter of 2018 were similar to numbers seen in 2017, despite the drop across the year as a whole.

The Head of Qualifications & Governance noted that she and the Registrar attended an Architects Council of Europe (ACE) meeting on 24 November 2018. The ACE budget and subscription costs were agreed at the meeting and ARB and RIBA had agreed to withdraw their precautionary letter of withdrawal, which had been issued pending the approval of the 2019 budget. Both ARB and the RIBA would remain members of ACE for 2019. It was added that early discussions in relation to potential amendments to the Professional Qualifications Directive were discussed at the meeting. The Board was advised that ARB's category of membership with ACE may change once the UK has left the EU but had yet to receive any confirmation from ACE in relation to this.

The Board noted that the number of architects on the Register had increased but that the number of applicants from the EU had decreased across 2018 as a whole. The Board queried whether analysis should indicate whether the number of architects on the Register was sufficient for the needs of the UK. The Registrar noted that the RIBA were monitoring the number of EU architects joining the Register and making representations where appropriate. It was added that the increasing number of architecture qualifications in the UK and institutions offering qualifications may lead to an increased number of applications to the Register in future.

15. EU Exit

The Head of Qualifications & Governance reiterated the update in the Operational Activities Report in relation to the UK's departure from the EU and no further comments were noted.



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

The Head of Qualifications & Governance confirmed that the Executive Team referred the Board's comments from its 11 September 2018 meeting back to the Criteria Task & Finish group. She added that, subsequent to this an updated draft of the Criteria was sent to the RIBA and that the RIBA had agreed on the basis of the revised draft to re-engage with the Criteria review. ARB and RIBA had held two meetings and agreed on a new draft that was acceptable to both organisations. She summarised that the next steps included an informal consultation with key stakeholders and taking the new draft Criteria to the Board at its meeting on 19 December for agreement to issue the draft Criteria for formal consultation.

The Head of Qualifications & Governance confirmed that the new draft Procedures were currently with the Board's solicitor for review. She summarised that the next steps were taking the new draft Procedures to the Board at its meeting on 19 December for approval and to issue for formal consultation.

17. Management accounts – ARB's financial position as at 31 October 2018

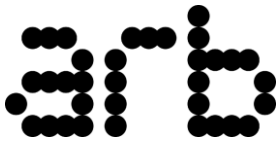
The Board noted the Management Accounts.

18. Minutes

The Chair drew attention to item 4 on the Investigation Oversight Committee minutes from 21 September 2018. It was noted that legal advice obtained by ARB confirmed that it could judicially review a decision taken by the Professional Conduct Committee but had decided not to in respect of a particular PCC decision. The Head of Professional Standards confirmed that this had been considered by the IOC, which understood the reasons behind that decision.

19. AOB

The Board queried whether it should provide feedback to MHCLG, via the Registrar, in relation to the recruitment process it was undertaking for the new Board. The Board noted that it was in a position where it had to prepare for the possibility of no Board being in place from 7 January 2019 which may impact on its role in regulating the profession.



Note

Action

The Registrar confirmed that she had written to the MHCLG when it first announced the timetable for recruitment of the new Board to highlight the associated risks.

The Board discussed whether a press release regarding the risks involved around the transition to the new Board was appropriate.

The Board stated that it felt that there were robust provisions in place to ensure that there was a smooth transition to the new Board.

The Registrar confirmed that as far as she was aware, the MHCLG were on track with its intended recruitment time frame and there were no indications that there would be any delays in appointments. Work has been undertaken to ensure the smooth transition and a proportionate contingency plan from the outgoing Board to the newly constituted Board was in place and overseen by the Registrar.

Dates of meetings 2018

19 December 2018