



Subject Adjustments to Board Governance - Appointment of a Senior Independent Board Member

Purpose For Decision

From Director of Professional Education

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1. Summary

To agree the parameters of the role and the appointments process for a Senior Independent Board Member.

2. Recommendations

The Board is asked to:

- i. agree the parameters of the role for a Senior Independent Board Member as outlined in Annex A;
- ii. agree the appointment process as set out in key point iii. below; and
- iii. note that, subject to the agreement of the parameters of the role and the appointment process, nomination(s) for the role will be brought to the Board at its meeting on 17 December 2020.

3. Open Session

4. Contribution to the Board's Purpose and Objectives

Ensuring that ARB's governance structures are as robust and effective as possible will enable ARB to continue the delivery of its strategic aims and fulfil its requirements under the Act.

5. Key Points

- i. The Board has been discussing ways in which it can strengthen its governance structure since its meeting in June 2020. At its meeting on 7 September 2020, the Board agreed that it wished to make provision for a member of the Board to be designated as a Senior Independent Board member and at its meeting of 2 October 2020, the Board discussed the parameters of the role as well as the appointments process. At that meeting, the Board provided some helpful feedback; the Executive has taken this into account and made further adjustments to the parameters of the role and the appointments process.
- ii. The updated parameters of the role of the Senior Independent Board member can be found at **Annex A**.

- iii. Having carefully considered the position and taken recent feedback into account, we suggest that the Chair of the Board, the Chair of the Remuneration and Appointments Committee, the Chair of the Audit and Risk Assurance Committee and the Chief Executive and Registrar are collectively tasked with nominating an individual(s) from within the Board who is suitable for the position as the Senior Independent Board Member. That nominee(s) should also confirm that they are willing to be put forward. The Board should then make the decision as to who should be designated to undertake this role. The nominee(s) may be architect or a lay member(s) of the Board, although the Board is asked to note that it has already stated that it would prefer an architect to undertake the role.

We suggest that the designation should be made or reviewed at the same time that the review of the membership of the committees is undertaken. Again the Chair of the Board, the Chair of the Remuneration and Appointments Committee, the Chair of the Audit and Risk Assurance Committee and the Chief Executive and Registrar should be involved in this process. [Note: we are proposing that the next review of the committee membership is undertaken in the Autumn 2022.]

Whilst we have received advice that confirms that there is nothing to prevent the Chair of the Board from designating one of the Board members as the Senior Independent Board Member, the approach outlined above would provide transparency and ensure wider involvement and input to the process. The latter is particularly important given the nature and scope of the role.

We additionally suggest that the individual designated to be the Senior Independent Board member may hold the position for the duration of their tenure following being designated the role, but that succession planning should be borne in mind if the individual has held the position for a number of years and/or is nearing the end of their Board tenureship. The Senior Independent Board Member should also be involved in that succession planning.

Whilst we have considered other options, we believe that so far as is possible, this is a role that requires consistency of approach across a period of time and that rotating the role or changing it regularly may disrupt this.

- iv. As agreed recent Board meetings, we will highlight to the MHCLG that this an area that should be looked at the next time Schedule 1 of the Architects Act 1997, which relates to the formal structure and constitution of the Board, is reviewed. We have a series of adjustments that we would like to be considered as part of the upcoming review of the Architects Act 1997 and will ensure we include this area in our feedback to the Department.
- v. We have sought advice and whilst there is nothing to prevent one of the existing Board members being designated as a Senior Independent Board member, in the longer term, we believe that it would be prudent to make provision for this role within the General Rules. The General Rules are next scheduled to be fully reviewed in 2021. We will ensure that we propose adjustments to the Rules which incorporate this Board role.

- vi. The Board is asked to discuss the points referred to above and agree the recommendations set out in section 2 of the paper.

6. Resource implications

The creation of the Senior Independent Board Member role should not impact significantly on ARB's resources although the individual designated to undertake this role may need to dedicate more time to Board business.

7. Risk Implications

It is imperative that a Board has robust governance arrangements in place. Failure to put appropriate governance processes in place could lead to the Board being unable to discharge its statutory functions appropriately. Designating one of the existing Board members as a Senior Independent Board member will strengthen the Board's current governance arrangements. It will also align the Board's governance structure with good practice.

8. Communication

The Board has been exploring its governance arrangements and identified an area where it believes improvement could be made. The Board has determined that the most appropriate way of doing this is by designating one of its existing members as a Senior Independent Board member.

9. Equality and Diversity Implications

Equality, inclusion and diversity implications will need to be taken into consideration as part of the process which is undertaken to designate one of the existing Board members as the Senior Independent Board member.

10. Further Actions

Subject to the Board's approval of the role parameters and appointments process, the Chairs of the Board, Remuneration and Appointments Committee and Audit and Risk Assurance Committee and the Chief Executive and Registrar will be asked to nominate an individual(s) so that the details can be brought back to the Board for decision in December.

Appropriate adjustments to the General Rules are proposed in relation to this area the next time that the Rules are updated, which is likely to be in 2021 when the next full review of the Rules is undertaken. The Board's feedback as outlined above will be highlight to the MHCLG.

Annex A

Senior Independent Board Member

Parameters of the Role

- Working with the Chair, acting as a sounding board and providing support
- Working with and ensuring the views of other members of the Board and the Executive are conveyed to the Chair
- Working with other members of the Board and/or the Executive to ensure that where concerns have been expressed these are being addressed by the Chair and/or the Chief Executive and Registrar
- Ensuring that the Chair and/or the Chief Executive and Registrar is passing on the views of stakeholders, including any concerns, to the full Board
- Ensuring that the Chair is paying sufficient attention to Board succession planning
- Working with the Chair and the Chief Executive and Registrar to ensure that they are following Board-agreed strategy
- Ensuring that decisions are being made by the Board in line with the Scheme of Decision Making and in line with the organisation's governance arrangements

The Senior Independent Board Member should be available to staff or Board members if they have reason for concern that contact through the normal channels of Chair or Chief Executive and Registrar has failed to resolve.

The Senior Independent Board Member shall also meet with the Board at least twice a year without the Chair of the Board or members of the Executive being present.

They will also input into the process, along with the Chairs of the Board, the Remuneration and Appointments Committee and the Audit and Risk Assurance Committee and the Chief Executive and Registrar, of appointing their successor.

Circumstances in which the Senior Independent Board Member's role will become increasingly important include:

- Where there is a dispute between the Chair and the Chief Executive and Registrar;
- If the strategy being followed by the Chair and the Chief Executive and Registrar is not supported by the full board;
- Where the relationship between the Chair and the Chief Executive and Registrar is particularly close and decisions are being made without the approval of the full board;
- Where a member of the Executive has a concern regarding the Chief Executive and Registrar or the Chair/a member of the Board; and/or
- Where succession planning is being ignored.

Key Skills and Attributes required for the Role

The Senior Independent Board Member must have high emotional intelligence, empathy, sensitivity and must be capable of facilitating or mediating in difficult situations with an impartial and balanced view. Their appointment should be based on their skills, character and conduct rather than knowledge.