

## Open session

**Board meeting:** 17 May 2023

**Agenda item:** 6

**Subject:** Administration fees for registration applications

**Action:** For Decision

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### Purpose

To set out the proposed administration fee, and its application, for architects who choose to register using more costly paper based routes, after the Board's new online registration portal is operational.

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### Annexes

None

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### Author/Key Contact

Brian James, Director of Registration and Accreditation ([Brianj@arb.org.uk](mailto:Brianj@arb.org.uk))

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## 1. Open/Confidential Session

This item will be noted in the open session of the Board meeting.

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## 2. Background and Key points

- 2.1. The Board has agreed the development of a new, integrated IT system, as part of its five-year strategy. The system is currently being developed, with the first phase replacing the Registration database, and integrating with the financial systems required to collect and reconcile the retention fee payment. The system is due to go live in late Summer with a series of communications ahead of the Board agreeing the 2024 retention fee.
- 2.2. The system is designed to allow architects to self-service manage their registration, and for applications and payment for UK and international registration to be made safely, online. This approach will facilitate better customer experience, as services can be accessed 24/7, and architects have better control over their professional details and status. As they will enter and validate their own registered details, the scope for reduction in application and processing errors is reduced, and provides instant access to information outside of working hours. This focus fits with post-Covid remote working preferences, and reinforces the importance of architects' professional accountabilities.
- 2.3. The move to the automated processing, and associated efficiencies, is also a resource and budget assumption in 2024 onwards, to allow the Executive to absorb the processing of new activities, such as CPD assessments and new international routes set out in the recently signed MRAs.
- 2.4. Preparation for the system launch is currently on schedule. Architects will need to set up an electronic profile, which they then use to access ARB services. This includes maintaining their contact and EDI details, paying their retention fee, submitting their CPD evidence, or maintaining their registration (including requesting certificates, receipts or paying for additional services).
- 2.5. Over the summer, we will be communicating the intended benefits, and explaining how to establish a profile. Credentials will be emailed to architects, and access to the service will be online.
- 2.6. The legislation giving us our powers as a regulator does not allow us to compel use of the IT system, though we anticipate the majority of architects will want to use it. Some architects may have a reasonable adjustment (such as a disability) that prevents them from using the system. Others may choose not to use the system. Architects who set up a profile will be agreeing to ARB communicating with them via the portal.



2.7. This paper sets out the costs associated with retaining a residual manual process for those who do not sign up to the IT system, and the additional manual administration fee we propose to apply to recover the costs involved. This cost would be applied in addition to any retention fee agreed by the Board. We would envisage the fee level being reviewed each year, as part of the budget planning and retention fee setting process. There would be an exemption for anyone who would require a paper-based application as part of a reasonable adjustment.

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### **3. Calculating the administration fee**

The following activities are considered necessary to continue providing a facility for paper-based applications, for those who do not engage with the IT system.

- 3.1. Design and production of Statutory Notice of retention fee: this comprises design, layout, printing of tailored letters with individual details, envelope and postage. Costs from 2022 campaign, excluding any future cost of materials or supplier activity are £1.00 per letter.
- 3.2. Reminder of non-payment of fee during the fee payment period (6 reminders). We have assumed the same costs as the statutory notice, making £6 per architect.
- 3.3. Generating payment receipt and certificate: we assume 15 minutes of staff time, and the production of a combined document which is posted. This is assumed as £5.29 per architect.
- 3.4. Responding to any registration or payment enquiry by phone or email: we have assumed 20 minutes of staff time based on variations of complexity. This equates to £5.66 per architect enquiry based on Registration Team member hourly rate.
- 3.5. Reconciling manual payments to the ledger (15mins of activities for both Registration and Finance team members): £10.52 per architect
- 3.6. Responding to section 11 requirements (not known at the registered address): we are legally required to send three reminder letters over six months, and assume 30 mins of staff time: £11.58 per Architects Registration Board
- 3.7. Maintaining registered details through the year, such as changes of address or email: we have assumed 15mins per architect per year, based on known variations: £4.29 in staff time.

- 3.8. CPD submission process: To receive, review, file and manage the planned process of assessment, including liaison with CPD assessors for those selected, we have assumed 2 hours of staff time and 3 letters: £37.33 based on factors above
- 3.9. Regular ARB communications about statutory regulation or our activities: we have assumed communications through any year: £6.00 per Architect
- 3.10. The estimated total cost per architect of these activities comes to £87.67, before any inflationary adjustments to cost of materials or staff time.

#### 4. Impact and analysis

- 4.1. **Age of architects.** There are currently 42,391 registered architects. The table below shows the age distribution. On the basis of the number of registered email addresses, and payment method for the retention fee, we consider those over 71 years of age most likely to not use the IT system, or to require additional support.

Age Group	Female	Male	Total
Up to 30 years	1083	1200	2283
31 to 50 years	9320	14981	24301
51 to 66 years	2449	8962	11411
67 to 70 years	199	1517	1716
71 to 80 years	131	2075	2206
81+ years	27	445	472
Not known	1	1	2
<b>Total</b>	<b>13210</b>	<b>29181</b>	<b>42391</b>

4.2. **Those with no email address on the system.** There are 432 architects with no email address. We therefore have no current way, beyond letter, to communicate details of the IT system. Their age, and the fact that 311 of them have a direct debit in place for some time, suggests they may not respond to our communications. As the retention fee payment is predicated on the Board's requirements for declarations relating to the absence of any unspent criminal convictions, continued adequate insurance, and the future requirement that they have completed CPD, we will need to cancel these direct debits, otherwise the payment would be taken automatically.

Age Group	Female	Male	Total
Up to 30 years	0	0	0
31 to 50 years	1	11	12
51 to 66 years	23	81	104
67 to 70 years	10	27	37
71 to 80 years	5	106	111
81+ years	9	38	47
Not known	0	0	0
<b>Total</b>	<b>48</b>	<b>263</b>	<b>311</b>

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## 5. Resource Implications

These are set out in the paper, as the basis for the calculation of the fee. We would have the option of absorbing these costs into the retention fee for all registrants, however we think charging in this way both reflects the Board's policy approach whereby costs are allocated where they are incurred where possible, as well as a positive incentive to shift registrations online which is of benefit to all registrants.

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## 6. Risk implications

6.1 The move to the online portal and the requirement to pay a fee for manual processing may mean architects resign from the Register, or are removed for non-payment. Non-practising architects, or those who are older, or have disabilities are




the most likely to be affected. We consider the impact to be small, and a larger impact to be from the Board's requirement to provide CPD evidence from 2024. We have factored a resignation/drop off rate into this budget and fee planning assumptions, and will review as part of this year's fee calculation.

- 6.2 The impact specifically on older architects may relate to access to IT or email. However, analysis of the current Register (42,140 architects who last paid their retention fee in December 2022), showed that only 320 individuals did not pay via direct debit, or via online portal payment. As the Board has a reasonable expectation of communication, and registered professionals who are providing business services are likely to do so by email, we think the impact is small. Access to free email addresses (gmail etc) is widespread, and we will include pointers in our pre-launch communications.
- 6.3 The additional fee is calculated on cost recovery basis only, and applied to those who choose to continue using more time consuming and manual processing methods. We do not think we should spread the additional costs across all registrants, via any increase to the retention fee. Maintaining two systems will incur costs for ARB, mostly staff time, and impact on other assumptions of the ability to take on and process new areas of work, such as processing CPD portfolios, or managing MRA Assessments. The total cost of the retention fee and manual fee may have an impact on those on low salaries, or who are not working. We will liaise with Architects Benevolent Fund as usual, as part of the retention fee planning to alert them that some architects may ask for support with this.
- 6.4 Our new IT systems will allow easier dealing with those who have a reasonable adjustment (identification and billing) which we have never previously had with manual systems. Over time we would hope this fee would decrease in its application.

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## **7. Equality and Diversity implication**

- 7.1. The Board requires that all registered architects maintain their details. We already promote the use of an online Registrant Services Portal to do this, with over 20,000 changes in most years. Most architects are therefore used to using such systems to maintain their registration.
- 7.2. The new IT system will record any notified and agreed reasonable adjustments. Those architects with evidence of a disability that would prevent them accessing or using an electronic portal. These architects would not be expected to pay an additional manual processing fee.



7.3. Only those architects who do not have a reasonable adjustment, and whose non-compliance is based on choice would be expected to pay the fee; otherwise they would be expected to use the portal. Email addresses and use of IT systems are common-place, with free gmail or equivalent emails available. Those architects who are working and providing a technical service to clients should have access to email and IT systems. Those who are not working do not need to be registered, and can resign until they do have access to such systems or funds. Therefore the requirement to either pay the manual fee, or use free online mechanisms does not impact on those who are not working/earning.

7.4. We do not propose to apply the fee to anyone with evidence of a reasonable adjustment.

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## **8. Recommendations**

Each architect who chooses to manage their registration through manual paper based processes will be required to pay a manual processing fee in addition to the retention fee.

In the 2024 retention fee year, we recommend this is £90.

The administration fee is waived for anyone requiring a reasonable adjustment. This should be applied at the Registrar's discretion.

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