Board paper

Subject:
People Committee Annual Report 2024

Board meeting:

21 May 2025

Agenda item:

16

Action:

- For noting ☒
- For discussion ☐
- For decision ☐

Purpose
To note the People Committee's Annual Report for 2024.

Recommendations
The Board is asked to note the People Committee's Annual Report for 2024.

Annexes

Annexe A – People Committee Annual Plan for 2025.

Author/Key Contact
Liz Male, Chair, People Committee

1. Open Session

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2. Background and Key points

2.1. Under both its former, and recently revised, Terms of Reference, the Chair of the People Committee is required to provide the Board with an Annual Report on the Committee's work.

2.2. The following report covers the period between 1 January 2024 and 31 December 2024.

2.3. During this period the membership of the Committee has been as follows:

Liz Male, (Chair, Lay Board Member)
Stephen McCusker (Architect Board Member)
Teri Okoro (Architect Board Member)
Samantha Peters (Lay Board Member)
Ian Muir (Independent Member)

2.4. During the reporting period, the Committee held four meetings on 13 February, 9 May, 28 August and 13 November 2024. Each meeting was quorate. Regular attendees from the Executive included the CEO & Registrar, the Director of Resources, the Director of Governance & International, as well as members of the Governance and Human Resources teams. The new Head of People joined the team in March 2024.

2.5. An external expert from IDR was invited to join the Committee and provide insight and information regarding remuneration benchmarking at the Committee's last meeting of the year, which assisted in informing recommendations in this area before they were considered by the Board.

2.6. The Committee's Terms of Reference during the reporting period were those which became effective from 1 April 2023. The Terms of Reference have since been replaced by revised Terms which were approved by the Board on 10 December 2024, and which became effective on 1 January 2025.

2.7. The Committee has provided regular feedback to the Board through its minutes, inputs and recommendations within key Board papers, e.g., the Board and Committee Annual Performance Review process, as well as through oral updates through the Committee Chair.

2.8. The work and achievements of the Committee over the last year can be summarised as follows:

People Strategy

2.8.1. Providing support and advice to the Executive, as well as holding the Executive to account on the continued development of the People Strategy, work on which was initially pushed back to the second half of the year, but

which has been able to progress faster with the arrival of the new Head of People and continued development of new HR systems (part of the ARB transformational change IT programme).

Pay and Reward

2.8.2. Overseeing the commissioning of an independent pay benchmarking exercise (the first since Spring 2022) which will allow more up-to-date external benchmarking of pay and benefits for key staff roles, Board members and Associates, ensuring that pay is fair, proportionate and ARB remains a competitive and attractive employer.

2.8.3. Providing advice to the Chief Executive Officer & Registrar regarding the pay and performance process for ARB staff and performance feedback for SLG members.

2.8.4. Actively reviewing the pay approach for the 2024 annual pay award ensuring that the approach and decisions taken on pay, are in line with the People Strategy and financial budgeting decisions and examining any potential pay drift issues that could arise.

Annual Review Process

2.8.5. Providing input and feedback regarding the role profiles and competencies for all Board, Committee Chair and External Independent Committee Member roles, including ensuring reference to the Ministry of Housing, Communities and Local Government's essential knowledge and experience.

2.8.6. Reviewing and approving the Annual Performance Review process for Board members which was piloted during the year and will continue to be shaped in 2025 by the Board, linking more directly to ARB's clearer, more meaningful values and behaviours.

Annual Surveys

2.8.7. Providing advice and feedback regarding the annual staff survey, which in 2024 achieved its highest ever completion rate (93%). Staff view ARB as a great place to work, and key results from the survey have led to further improvements in areas such as flexible working.

2.8.8. Ensuring recommendations from the Board and Committee Effectiveness Review have been taken into account as part of the planning of future training and development for the Board, and informing induction sessions for the new pool of Associates which joined ARB in 2024.

Policy Development

2.8.10. Approving an updated disciplinary and dismissal policy for members of SLG.

2.8.11. Approving new benefits for ARB employees, including the new Cycle to Work scheme, and noting uptake of the Flexible Bank Holidays offer which is an important example of improved inclusivity.

Other achievements

2.8.12. Supporting extended training for ARB managers in mental health first aid.

2.8.13. Overseeing the tender process and appointment of EDI consultants, working to identify recommendations for how the ARB can improve EDI outcomes in the profession but also become an exemplar organisation.

2.8.14. Reviewing and providing feedback on the People Committee Terms of Reference for Board approval.

2.9. The Committee has worked successfully in reviewing, informing and approving new People Strategy developments, exploring HR topics, sharing data, evidence and best practice and experiences when making decisions and recommendations for Board approval.

2.10. The work of the Committee ensures that ARB fulfils its Strategic and People Strategy objectives in relation to its employees, Board members and associates.

2.11. It is worth noting that ARB now has a headcount of c.62 employees (with no current plans to expand further), compared to 35 staff in 2021. People issues are becoming more complex and need to be considered in the broader context of changing work trends and employment issues affecting all organisations in the UK, including professional regulators.

2.12. Reflection around the work of the Committee is also important and, in particular, the development and implementation of the Annual Performance Review process for the Board needs to be noted. This was initially challenging to design in such a way that is both meaningful and proportionate to the role of non-executive Board members. . .

2.13. The Committee will be reviewing feedback from Board and Committee Members now the cycle has been completed and consider this at its next meeting in May. Any revisions or updates to the process will then be shared with the Board for approval, and will help to inform the development of an equivalent performance review process for Associates.

2.14. Looking ahead, the Committee approved its workplan for 2025 at its meeting of 13 November 2024 (see **Annexe A**). The Committee has already begun taking forward the relevant items as set out within the 2025 workplan.

3. Resource Implications

3.1 The Committee holds the majority of its meetings online in order to minimise costs and taking EDI considerations into account. The cost of operating the Committee is factored into the Governance Department's budget each year.

3.2 In 2025, we have included provision for Board and Committee briefing and development within our budget. The programme of briefing and development for

2025 has been approved by the Board and further details will be provided throughout the year as the relevant sessions are planned.

3.2 The Committee is supported by the Governance, Human Resources and Corporate teams.

4 Risk Implications

4.1 The Board has a series of statutory obligations to fulfil as well as providing oversight of the organisation. The Board has established committees to assist it with its work and achieve this. The Committee's annual report is an important means of providing the Board with assurance that the Committee is carrying out its work in line with the stated Terms of Reference, as well as assisting the Board to carry out its oversight responsibilities. The report additionally provides the Board with an opportunity to explore the Committee's work and identify any areas of concern.

5 Equality and Diversity implications

5.1 The Committee in their discussions and decisions ensure that the equality, diversity and inclusion implications are considered and explored. They provide challenge where they feel that more account needs to be given to particular areas of the development of the People Strategy to incorporate ARB's EDI approach. This can be seen through the presentation of HR data through interrogating the diversity data of staff.

5.2 The work of the Committee is important in ensuring that output from the work by Purpose Union will be reflected both in its own agenda and decisions but also in the ongoing development of the People Strategy. This is a priority for 2025.

6 Recommendations

6.1. The Board is asked to note the People Committee's Report for 2024.

Item 16

Annexe A - People Committee Planner 2025

Committee Date	Activity/Agenda Item	Comments
February	• People Strategy Update • HR Policy Plan for 2025 • HR Data and Statistics • Board/Committee Succession Planning • To agree the pay and remuneration, including performance related payments, of the Chief Executive. • Agree the Committee's annual report • Discuss the Committee's Effectiveness Review outcomes and any relevant recommendations • Associates Recruitment and Appointment Policy	• This will include activities around EDI (Purpose Union work in particular), talent management, recruitment updates and general people initiatives for 2025. • Policy Plan looking ahead at the employment. landscape/legislation and potential decisions for 2025. • HR Data will look to the trends of 2024 and the future forecast/trends. • Consider the skills set and potential gaps in skills/experience within the board/committee. • Paper will be drafted with Alan who will present to the Committee prior to going to the Board. • Committee's annual report will be produced by the executive prior to being presented at the Board. • This will be from a sub-section of the overarching Board and Committee Effectiveness Review report. • Updated approach to the appointment of associates.
May	• Staff Survey Planning • Learning and Development Strategy • Board and Committee Annual review process	• Map out the strategy around staff survey. • Update on the LD approach across the executive. • Consider any feedback from the 2024 cycle for discussion and implementation ahead of any Board approval in July.
August	• Performance Management Approach for Staff, Board and Associates	• Standard item around budget and approach

	• People Policy Update • HR Data and Statistics (KPI Metrics) • Board/Committee Safeguarding Policy	• People Policy update from February which may also include update on HR initiatives with any decisions required. • HR Data Update with reflections/trends. • Discussion around the purpose and approach prior to going to the Board.
November	• Pay Award 2026 Proposal for Staff, Board and Associates • Year ahead strategic resource planning • Board Complaints Policy	• Standard item, decisions around pay award. • Future planning for 2026. • Review and feedback ahead of Board approval.