



Department for Levelling Up,
Housing & Communities

Department for Levelling Up Housing and Communities and the Architects Registration Board Framework Agreement.

Public corporations

September 2023



Department for Levelling Up,
Housing & Communities

Department for Levelling Up Housing and Communities and the Architects Registration Board Framework document:

Public corporations

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Any enquiries regarding this publication should be sent to us at

Office address and general enquiries

2 Marsham Street

London

SW1P 4DF

United Kingdom

Email: correspondence@levellingup.gov.uk

Framework document for public corporations

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1. Introduction and background

Purpose of document

- 1.1. This framework document (the “framework agreement”) has been agreed between the Department of Levelling Up Housing and Communities (DLUHC) and the Architects Registration Board (ARB)¹ in accordance with HM Treasury’s handbook Managing Public Money² (“MPM”) (as updated every 3 years) and has been approved by HM Treasury.
- 1.2. This framework document has been drawn up jointly by the Department for Levelling Up, Housing and Communities (DLUHC) and the Architects Registration Board (ARB). It sets out the broad framework within which the ARB and DLUHC intend to operate as well as defining both the Sponsor Department’s expectations and support of the ARB as a member of the DLUHC corporate family. The framework document sets out the broad governance framework within which the (ARB) Architects Registration Board and Department of Levelling Up Housing and Communities operate. It describes:
 - the ARB’s core responsibilities which are set out in the Architects Act 1997.
 - the governance and accountability framework that applies between the roles of the DLUHC, the ARB, other parties as relevant, e.g., sponsor teams if outside shareholder, other departments with a policy interest.
 - how the day to day relationship works in practice, including in relation to governance and financial matters, the relevant reserved matters and delegated authorities.
- 1.3. The document does not create a legally binding contract. It does not convey any legal powers or responsibilities or have legal effect or consequences, nor does it fetter the ARB’s discretion in relation to specific decisions. The document is signed and dated by both parties to indicate their intention to work within the framework.
- 1.4. Copies of the document and any subsequent amendments have been placed in the Libraries of both Houses of Parliament and made available to members of the public on the ARB website available at <https://arb.org.uk>

Amendments to and interpretation of this document

- 1.5. Any amendment, update, or replacement of any provision of this document shall be agreed by the parties, from time to time, in writing and must be consistent with the Act (as may be amended, updated, or replaced from this date).
- 1.6. This framework document should be reviewed regularly and updated at least every 3 years unless there are exceptional reasons that render this

¹ References to “the Board” in this document are to the Board itself as laid down under Schedule 1 of the Architects Act, whereas references to the “ARB” are to the organisation as referenced to under Part 1 of the Act.

²https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1000670/MPM_Sp ring_21_with_annexes_080721.pdf

inappropriate that have been agreed with HM Treasury and the Principal Accounting Officer of the shareholder department. The latest date for review and updating of this document is 2023. A review of this framework document was undertaken by the ARB and DLUHC in 2018, and a light touch review was undertaken in 2021. The framework document will be updated within twelve months of each departmental review, or, if Governance requirements are subject to significant change outside of the departmental review process, within twelve months of those changes being put in place.

- 1.7. References to (including extracts and summaries of) a statute or statutory provision include and shall be read as a reference to that statute or provision as from time to time modified, re-enacted, or consolidated whether before or after the date of this document, and any subordinate legislation made from time to time under that statute or statutory provision which is in force at the date of this document.

Review of this document

- 1.8. A Review of this framework document will be undertaken within twelve months of any departmental review, or if any significant changes to legislation or governance arrangements take place outside the review period.
- 1.9. The DLUHC and the ARB share the common objective of delivering statutory regulation of architects under provisions now within the Architects Act 1997³. To achieve this the ARB and the DLUHC will work together in recognition of each other's roles and areas of expertise, providing an effective environment for the ARB to achieve its objectives through the promotion of partnership and trust and ensuring that the ARB also supports the strategic aims and objective of the department and wider government.

Classification: Ownership Classification and Ownership

- 1.10. ARB has been classified as a public corporation by the ONS/HM Treasury Classifications team.

2. ARB purpose, duties & powers.

Purpose

- 2.1. Within the UK, there is statutory regulation of the use of the title 'architect.' The ARB was established in 1996 under provisions now within the Architects Act 1997⁴. It succeeded a similar body established in 1931 as the independent statutory regulator for all UK registered architects. In addition, the ARB has been designated as the UK's relevant authority for the recognition of international qualifications.

³ <https://www.legislation.gov.uk/ukpga/1997/22/contents>

⁴ <https://www.legislation.gov.uk/ukpga/1997/22/contents>

Duties and powers

Legal origins of the powers and duties of the Architects Registration Board.

- 2.2. The ARB's powers and duties are derived from the Architects Act 1997. Under sections 6 and 8 of the Architects Act 1997, the ARB has powers to charge fees to enable the delivery of statutory regulation of architects. The Act also restricts the use of the title 'architect' to registered persons and allows the ARB to monitor the competence of architects throughout their registration and remove people who do not meet the prescribed standard. To maintain public confidence in the reputation of architects on the register, the ARB also has powers to make disciplinary orders, including fines, if a registered person is guilty of unacceptable professional conduct or serious professional misconduct, or has been convicted of a criminal offence unconnected to their fitness to practise as an architect (sections 15-18). These powers are currently exercised through the ARB's Professional Conduct Committee. Decisions regarding a refusal of registration, or a removal from the Register under the competence provision, can be appealed to an appeals committee.
- 2.3. The ARB's powers and duties stem from the Architects Act 1997⁵, the ARB's duties include:
- Prescribing – or 'accrediting' – the qualifications needed to become an architect.
 - Keeping the UK Register of Architects.
 - Ensuring that architects meet ARB's standards for conduct and practice.
 - Investigating complaints about an architect's conduct or competence.
 - Making sure that only people on our Register offer their services as an architect.
 - Acting as the UK's regulatory authority for architects and recognising international qualifications for the purposes of entry to the Register under agreements that ARB has entered as part of its function as the UK's relevant authority in relation to architects.

In addition to the above statutory functions, the ARB has received further powers to set requirements for continuing professional development as well as enter into formal mutual recognition agreements to monitor and assess international architects' qualifications. The legislation is contained within the Building Safety Act 2022 and the Professional Qualifications Act 2022 which is outlined within the 'Governance and Accountability' section of this document.

- 2.4. The ARB's Corporate Strategy 2022-26 sets out overarching aims:
- To deliver continuous improvement in regulatory services
 - To modernise the initial education and training of architects
 - To develop and deliver a new model of continuous professional development
 - To transform systems, processes, and technology; and,

⁵ <https://www.legislation.gov.uk/ukpga/1997/22/contents>

- To invest in people, building a positive and inclusive culture.

3. Governance and accountability

- 3.1. The ARB shall operate corporate governance arrangements that, so far as practicable and in the light of the other provisions of this framework document or as otherwise may be mutually agreed, accord with good corporate governance practice and applicable regulatory requirements and expectations.
 - In particular (but without limitation), the ARB should comply with the principles and provisions of the Corporate Governance in Central Government Departments Code of Good Practice² (as amended and updated from time to time) to the extent appropriate and in line with their statutory duties or specify and explain any non-compliance in its annual report.
 - take into account, the codes of good practice and guidance set out in Annex A of this framework document, as they apply to public corporations.
- 3.2. The ARB Board is supported by the ARB Executive, who undertake the day to day running of the organisation and its functions. In this document ARB's Board may be referred to as "The Board" and "the ARB" refers to the Executive organisation.
- 3.3. The ARB is designated as the UK's regulatory authority for architects for the purposes of recognition agreements. The Architects Act 1997 (2022 regulations) allows the ARB to enter into legally binding regulator-to-regulator agreements. The ARB can request that architects with overseas qualifications or practical experience sit a prescribed test, or meet other conditions as prescribed, before they enter the Register.
- 3.4. The ARB will notify DLUHC of their intentions to commence negotiations with another jurisdiction and will consider Government views ahead of commencing formal negotiations. The ARB will also notify the Department of any agreements signed or substantively amended. The Department will keep ARB abreast of Future Trade Agreement (FTA) processes and will seek their views.
- 3.5. The Office for National Statistics classified the ARB as a public corporation in 2005 and as such the ARB is expected to comply with HM Treasury guidance on 'managing public money'.
- 3.6. The Localism Act 2011 introduced provisions to provide powers for Central Government Departments to pass on all or some of the cost of possible infraction penalties to Public Bodies, which includes the ARB. Safeguards are set out in the Localism Act to ensure that such penalties are imposed only where reasonable and necessary as a last resort. DLUHC and the ARB will give due regard to the measures set out in the Localism Act and will cooperate in resolving any legal proceedings arising at a European level.

4. Role of DLUHC and Department

The responsible Minister

- 4.1. The Secretary of State is accountable to the UK Parliament for the activities and performance of the ARB. Schedule 1 (paragraph 3) of the Architects Act 1997 requires that the eleven members of the Board are appointed by the Privy Council, after consultation with the Secretary of State and such other persons or bodies as the Privy Council thinks fit to represent the interests of users of architectural services and the public.

DLUHC Appointments

- 4.2. The DLUHC's Accounting Officer (the Permanent Secretary) has designated the Registrar of Architects (who is appointed under Section 2 of the Architects Act 1997 by the ARB's Board) as the ARB's Accounting Officer. The respective responsibilities of the Department's Accounting Officer and the Accounting Officers for Arms' Length Bodies are set out in *Managing Public Money*⁶ which is sent separately to the ARB Accounting Officer.
- 4.3. In line with the Architects Act 1997, the Chair and members of the ARB Board are appointed by the Privy Council after consultation with the DLUHC Secretary of State and such other persons or bodies as the Privy Council thinks fit. All such appointments should have regard to the principle that appointments should reflect the diversity of the society in which we live, and appointments should be made taking account of the need to appoint Boards which include a balance of skills and backgrounds.

The DLUHC Principal Accounting Officer (PAO)

- 4.4. The Principal Accounting Officer (PAO) is the Permanent Secretary of DLUHC.
- 4.5. The PAO is accountable to parliament for the issue of any grant-in-aid to the ARB.

The DLUHC PAO's specific accountabilities and responsibilities

- 4.6. The PAO is accountable to Parliament:
 - for the way in which the ARB exercises the authority given to it by Parliament to raise money and the use to which such money is allocated.
 - for any Departmental resources expended on sponsorship of the ARB and on recruitment of the Board; and
 - for the impact on DLUHC's running costs of any fine imposed on the UK by the European Court of Justice, in the event of a notification of a historic failure to comply with either of the two European directives for the period of 4 years after the end of the Transition Period referred to in paragraphs 2.2 and 2.3 above, in relation to the practice of architecture.

⁶ <https://www.gov.uk/government/publications/managing-public-money>

- 4.7. The DLUHC PAO is accountable for ensuring the responsible Minister is advised:
- on how well the ARB is achieving its strategic aims and whether it is delivering value for money; and
 - on recommendations they may make to the Privy Council on the appointment of the Members of the ARB's Board (under Schedule 1, (paragraph 3) of the Architects Act).
- 4.8. The DLUHC's PAO is also responsible for ensuring that arrangements are in place to:
- monitor the ARB's activities on a regular basis in accordance with this agreement.
 - inform the ARB of any relevant anticipated or active legal action.
 - inform the ARB of relevant government policy in a timely manner; and
 - draw the Board's attention to concerns about the ARB's activities, to request explanations and to seek assurances that appropriate action has been taken.
- 4.9. The agreed lead team in DLUHC is the main source of advice to the responsible Minister on the discharge of their responsibilities in respect of the ARB. They also support DLUHC's PAO on their responsibilities in respect of the ARB.
- 4.10. In support of the DLUHC PAO role as set out in paragraph 4.2, DLUHC's Finance Directorate is also available to provide advice as appropriate.

The role of the DLUHC sponsorship team

DLUHC officials' responsibilities in relation to the ARB

- 4.11. The appropriate agreed lead team in DLUHC is the primary contact for the ARB.
- 4.12. DLUHC officials will receive all Board papers and a standing invitation to attend board meetings. DLUHC officials will be expected to meet the Board at least once a year.
- 4.13. DLUHC officials will liaise regularly with ARB officials to discuss the ARB's, performance against its strategic plans; to explain wider policy developments that might have an impact on the ARB; and to discuss any other issues of common interest.
- 4.14. DLUHC officials are available to provide *ad hoc* support and advice to the ARB when appropriate and without assuming responsibilities that belong properly to the ARB. Such advice may include:
- Advice on the practical application of any international agreements; and
 - Advice on when and how to draw on the guidance documents listed in Appendix 1.

Freedom of Information requests

- 4.15. Where a request for information is received by either party under the Freedom of Information Act 2000, or the Data Protection Act 1998 or 2018, the party receiving the request will consult with the other party prior to any disclosure of information that may affect the other party's responsibilities.

Reporting on legal risk and litigation

- 4.16. The ARB shall provide an update to the DLUHC on the existence of any active litigation and any threatened or reasonably anticipated litigation if relevant or if this may affect the DLUHC at the ARB AO discretion and that the DLUHC will notify the ARB on the existence of any active litigation and any threatened or reasonably anticipated litigation if relevant or if this may affect the ARB at the DLUHC's AO or representative official.

5. The ARB governance structure

Responsibilities of the Registrar as the ARB Accounting Officer

- 5.1. *Managing Public Money*⁷ sets out the responsibilities of an Accounting Officer, whether in a department or Arms' Length Body such as the ARB. The Registrar, as Accounting Officer, is responsible for safeguarding the public funds for which they have charge; for ensuring propriety and regularity in the handling of public funds; and for the day-to-day operations and management of the ARB.
- 5.2. In addition, as far as the Registrar is able, they should ensure that the ARB, is run on the basis of the standards, in terms of governance, decision-making and financial management, that are set out in *Managing Public Money*.
- 5.3. Responsibilities to DLUHC include:
- consulting DLUHC on any formal reviews of strategy and policy.
 - ensuring that DLUHC is kept informed on the practical application of any international agreements in relation to the registration of architects; consulting DLUHC where any significant issues arise.
 - ensuring that timely forecasts and monitoring information on performance and finance are provided to DLUHC; and that any significant risks or problems are notified to DLUHC in a timely fashion.
 - in consultation with DLUHC, confirming the extent of any financial liabilities that might devolve to DLUHC, reviewing these annually and informing DLUHC of any subsequent changes in status.
 - writing to the DLUHC Accounting Officer to set out any areas where the ARB's abilities to deliver its statutory duties may be at risk; and
 - ensuring that DLUHC is kept informed of any relevant anticipated or active legal action.

⁷ <https://www.gov.uk/government/publications/managing-public-money>

5.4. The Registrar is responsible for:

- maintaining the Register of Architects, under section 3 of the Architects Act.
- advising the Board on the discharge of its responsibilities as set out in this document, in the Architects Act and in any other relevant guidance that DLUHC may issue from time to time.
- advising the Board on the ARB's performance as compared with its aims and objectives.
- ensuring that the Board takes financial considerations fully into account at all stages in reaching and executing its decisions, and that financial appraisal techniques are used where appropriate.
- acting as set out in *Managing Public Money* if the Board, or its Chair, is contemplating a course of action involving a transaction which the Registrar considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration, efficiency or effectiveness, questionable feasibility, or is unethical.
- undertaking other functions as the Board directs (section 2(3)) of the Architects Act); and
- making the Board aware of the expectations of the Secretary of State in relation to governance of an Arm's Length Body (ALB).

Responsibilities for accounting to parliament, the ARB annual report, and accounts

- 5.5. The ARB will publish both an annual report of its activities and its audited accounts after the end of the financial year.
- 5.6. The ARB will provide its draft accounts to DLUHC within six months of each year-end.
- 5.7. The annual report:
- will comply with the Treasury's *Financial Reporting Manual* (FReM) where appropriate.
 - will outline main activities and performance during the previous financial year; and
 - may set out forward plans in summary form. If the annual report does not set out forward plans, these will be published separately.
- 5.8. The report and accounts will be laid before Parliament and made available, on the ARB's website, in accordance with guidance in the FReM. A draft of the report should be submitted to the Department six weeks before the proposed laying and publication date as the report must be laid to parliament before publication. The accounts should be prepared in accordance with the relevant legislation and specific accounts direction issued by the Department as well as, where appropriate, the FReM.
- 5.9. The DLUHC will lay the annual report and accounts before Parliament and it should be made available on the ARB website.

The ARB board and responsibilities

Role of the Board

- 5.10. The powers of the Board are founded in the Architects Act 1997. Part 1 of Schedule 1 makes provisions about the Board. The Board has powers to make rules, establish committees, to appoint a Registrar and to appoint staff.
- 5.11. The Board is specifically responsible for:
- ensuring that any statutory or administrative requirements are complied with; that the Board operates within the limits of its statutory authority; and that, in reaching decisions, the Board takes into account guidance issued by DLUHC.
 - establishing and taking forward the strategic aims and objectives of the ARB consistent with its overall strategic direction.
 - regularly reviewing financial information concerning the management of the ARB; discussing within a reasonable time any concerns about the activities of the ARB; and providing positive assurances to the Department that appropriate action has been taken on such concerns.
 - ensuring effective arrangements are in place to provide assurance on risk management, governance, and internal control; and
 - appointing a Registrar, following reasonable advance notification to DLUHC of the intended appointment, and setting the Registrar's performance objectives and remuneration terms linked to these objectives, taking into account the guidance on pay and conditions referred to in paragraph 14.2.

The Chair's role and responsibilities

- 5.12. The Chair of the Board is appointed by the Privy Council after consultation with the DLUHC Secretary of State and such other persons or bodies as the Privy Council thinks fit. There are provisions within the Board's rules to allow for the Chair to be removed from office if the Board considers it appropriate.
- 5.13. The role of the Chair is to lead in:
- formulating the Board's strategy in line with its statutory objectives and functions.
 - ensuring that the Board, in reaching decisions, takes proper account of the Architects Act 1997, ARB governance requirements and guidance provided by the responsible Minister or the Department.
 - promoting the efficient and effective use of staff and other resources.
 - delivering high standards of regularity and propriety; and
 - representing the views of the Board to the architects' profession and to the public.
- 5.14. The Chair also has an obligation to ensure:
- that the work of the Board and its members is reviewed and is working effectively.

- that when vacancies arise for members of the Board, the responsible Minister is advised of the Board's needs in relation to those vacancies (in terms of the balance of skills appropriate to directing the ARB's business, as set out in the *Corporate Governance in Central Government Departments: Code of Good Practice*).
- that when members of the Board are being considered for re-appointment, the responsible Minister is advised of their performance in their current term of office.
- that each Board member has objectives and is able to demonstrate that they have met those objectives; as set out in *Board effectiveness reviews: principles and resources for arm's-length bodies and sponsoring departments*.
- that appropriate external arrangements are in place for:
 - an annual review of the Chair's performance and development,
 - when appropriate, advising the Minister on the Chair's performance as a Board member, and
 - ensuring that the Chair has objectives and is able to demonstrate whether they have been met.
- that Board members are fully briefed on terms of appointment, duties, rights, and responsibilities.
- that they, together with other Board members, receive appropriate briefing on financial management and reporting requirements and on any differences that may exist between private and public sector practice; and
- that there is a code of practice for Board members in place consistent with the Cabinet Office Model Code.

5.15. The Chair may be asked by the Secretary of State to account for the activities of the ARB. Communications between the Board and the responsible Minister should normally be through the Chair who is responsible for ensuring that the Board's affairs are conducted with probity.

Individual board members' responsibilities

5.16. Individual Board members have an overall responsibility to ensure that the ARB fulfils its statutory functions.

5.17. Individual board members should:

- contribute to the Board's decision-making process, taking proper account of the Architects Act 1997, ARB governance requirements and guidance provided by the responsible Minister or the Department.
- comply at all times with the ARB Board members' code of practice consistent with the Cabinet Office Model Code and with the rules relating to declarations and conflicts of interest.
- participate in the Board members' annual performance and development review scheme, for the development of individual Board members and the Board as a whole.
- not misuse information gained in the course of their public service for personal advantage of gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations.

- comply with the Board's rules on the acceptance of gifts and hospitality, and of business appointments; and
- act in good faith and in the best interests of the ARB.

Composition of Board, appointments and committees

- 5.18. DLUHC officials will conduct a public appointments exercise to recruit the Board and the Chair. Appointments will be based on merit following an open and transparent process and independent assessment.
- 5.19. The term of office of a member of the Board is normally four years. Members may be re-appointed for a second four-year term but cannot serve more than eight years in total.
- 5.20. The Registrar is appointed by the Board in accordance with section 2 of the Architects Act.
- 5.21. The appointment and governance arrangements for the Board and its committees are laid down in Schedule 1 of the Architects Act 1997. The Board consists of eleven members: a Chair who is not a registered person; five other non-registered individuals and five registered individuals. Member of the Board are appointed by the Privy Council after consultation with the Secretary of State and such other persons or bodies as the Privy Council thinks fit.

6. Management and financial responsibility framework

HM Treasury guidance

- 6.1. The activities, roles and responsibilities of the ARB as described in this, document should follow the *Managing Public Money and other government-wide corporate guidance and instructions*.

The ARB management and financial responsibilities

- 6.2. The ARB should follow the guidance set out in *Managing Public Money*. A list of guidance with which the ARB should comply is set out in Appendix 1.
- 6.3. The ARB is subject to Cabinet Office spend controls⁸ and the Department's spend controls⁹. These controls apply separately to any other requirement for consent or approval or delegated authority (whether financial, procurement or other) under this Framework Agreement.
- 6.4. The Secretary of State determines the appropriate level of Departmental, approval for spending on processes which fall below Cabinet Office agreement thresholds, and which may change over time. In order to ensure

⁸ <https://www.gov.uk/government/publications/cabinet-office-controls-version-5/cabinet-office-controls-policy-version-5>

⁹ As provided to the ARB by the Department

that the ARB takes into account the expectations set out by the Secretary of State.

The DLUHC will:

- notify the ARB as soon as it becomes aware of any updated guidance or other requirements applicable to the ARB. Any issues or uncertainty as to the application of guidance shall be referred to the Department in the first instance DLUHC; and
- request regular returns to monitor alignment with the published spending.

The ARB will:

- ensure that the Secretary of State's expectations are taken into account in the development of strategic plans, in making decisions at an executive and Board level and in the execution of their day-to-day business; and
- the ARB shall use best endeavours to provide DLUHC with such information about its operations, performance individual projects or other expenditure as the sponsor department may reasonably require.

Remuneration and staff

Pay and conditions of service

- 6.5. As a public corporation, ARB staff are neither public nor civil servants and their income is primarily derived from registrant fees. As such its pay and benefits policy and approach is a matter for the Board. However, the Board should have due regard to the government's approach to pay including the Cabinet Office guidance on public bodies staffing as set out in Chapter 5 of *Public Bodies: Information for Departments* and to the general pay structure approved by DLUHC and HM Treasury for non-departmental public bodies.
- 6.6. Staff terms and conditions should be set out in an Employee Handbook, which should be made available to all staff and provided to DLUHC at the start of this agreement and subsequently when significant amendments are made. Guidance in the *Government Financial Reporting Manual* on the publication of salaries or salary ranges should be reflected in the details published in the ARB's annual accounts.
- 6.7. The travel expenses of Board members will be tied to the rates allowed to the staff of the ARB. Reasonable actual costs will be reimbursed.
- 6.8. The ARB will comply with any relevant employment legislation.

Board responsibilities regarding ARB staff

- 6.9. The Board may appoint staff under provisions set out in Schedule 1, paragraph 11 of the Architects Act. The Board, through the CEO and Registrar, has responsibility for the recruitment, retention, reward and recognition, and motivation of its staff. The broad responsibilities towards its staff are to ensure:
 - that the rules for recruitment and management of staff create an inclusive culture in which diversity is fully valued; appointment and advancement is

based on merit and there is no discrimination on grounds of gender, marital status, sexuality and sexual orientation, race, colour, ethnic or national origin, religion or belief, disability, community background or age.

- that the level and structure of its staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency, and effectiveness.
- that remuneration is appropriate to responsibilities.
- that the performance and development of its staff at all levels is satisfactorily reviewed and the ARB performance measurement systems are reviewed from time to time.
- that its staff are encouraged to acquire the appropriate professional, management, and other expertise necessary to achieve the ARB's objectives.
- that proper consultation with staff takes place on key issues affecting them.
- that adequate grievance and disciplinary procedures are in place.
- that whistle-blowing procedures consistent with the Public Interest Disclosure Act 1998 are in place; and
- that a code of conduct for staff is in place reflecting Cabinet Office guidance as set out in *Public Bodies: Information for Departments* or any superseding guidance notified to the ARB.

Remuneration criteria

Pensions, redundancy, and compensation

- 6.10. ARB staff will normally be eligible to join the ARB's group personal, pension scheme and may opt out of this scheme if they wish.
- 6.11. The ARB is expected to consult DLUHC on any proposal to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, insofar as such payment would have a material effect on the Board's financial position. Proposals on severance must comply with the rules in Chapter 4 of *Managing Public Money*.

7. Business plans, management information and audit

Strategic documents and business plans

- 7.1. The Strategic Plan shall set out how the ARB will achieve its Strategic Objectives.
- 7.2. The ARB will provide DLUHC annually with a draft business plan (or equivalent) covering key targets and milestones for the coming year. The ARB will also provide DLUHC with a draft of any new strategy that is being developed. The drafts should be provided at least six weeks before they are due to receive final approval from the Board, to allow DLUHC time to assess their reasonableness and to provide any comments. The strategy document and business plan will reflect the ARB's statutory duties, including fulfilling any responsibilities agreed under any international agreements.

- 7.3. The strategy document and business plan (or equivalent) should be published by the ARB on its website following consultation with the department and approved by the Board.
- 7.4. The ARB should publish, in its annual Business Plan or through other, publicly available documents:
- key objectives and any associated key performance indicators for the forward years.
 - a review of performance in the preceding financial year and an estimate of performance in the current year.
 - an assessment of the risk factors that may significantly affect the execution of the plan but that cannot be accurately forecast; and
 - other matters as agreed between DLUHC and the ARB.
- 7.5. The responsible Minister will meet the Chair from time to time to discuss, ARB's Corporate Strategy and associated Business Plans.

Reporting performance to the DLUHC

- 7.6. The ARB will operate management, information, and accounting systems, that enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and targets set out in the strategy document and business plan. The ARB will report financial and non-financial performance, including performance against key objectives every year.

Audit: Internal Audit and Transparency

- 7.7. The ARB Board will:
- set up an audit committee of its Board taking into account the Cabinet Office's guidance *Public Bodies: Information for Departments* and the Audit Committee Handbook; and as set out in *Managing Public Money*.

The ARB will:

- keep records of, and prepare and forward to the Department an annual report on any fraud and theft suffered by the ARB and notify DLUHC of any unusual or major incidents as soon as possible; and
 - take into account DLUHC and the Government's approach and guidance on transparency for public bodies when determining the ARB's Publication Scheme.
- 7.8. DLUHC's internal audit service has a right of access to all documents, prepared for the Audit and Risk Assurance Committee relevant to DLUHC's internal audit service. Such documents will only be shared with DLUHC in accordance with the data protection principles.

8. Reviews and winding up arrangements

Review of public corporation's status

- 8.1. The ARB, as with all Arms' Length Bodies, is subject to review in line with Cabinet Office guidance to:
- provide a robust challenge as to the need for and form of the ARB; and
 - where it is agreed that the Arms' Length Body should be retained, to review control and governance requirements and any legal constraints to ensure that the ARB is complying with recognised principles of good corporate governance.

The Department will undertake a substantive review of the ARB at least once in the lifetime of each Parliament.

- 8.2. The Review process will be undertaken in accordance with the Cabinet, Office guidance and taking into account proportionality and the ARB's classification as a Public Corporation.
- 8.3. The Review will involve full consultation with the ARB on both the process, of review as well as emerging findings and will equally seek the view of other key external partners as well as providing opportunity for Parliament to provide input and scrutinise outcomes.

Arrangements for the ARB to hold reserves

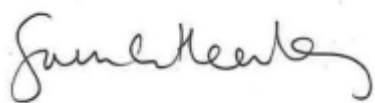
- 8.4. The Board is responsible for maintaining its operating reserves at a level sufficient to cover any unexpected reduction in income or fluctuation in costs. The ARB Board should advise the Department on the level of reserves they wish to hold noting the Department expects this to be a minimum of three months running costs. Any change to this amount must be agreed with the DLUHC sponsoring department.
- 8.5. If the ARB were to be wound up as a result of changes to primary legislation, DLUHC would put in place arrangements to ensure that the assets and liabilities of ARB were passed to any successor organisation and accounted for properly. If no successor organisation were established, the assets and liabilities would revert to DLUHC.
- 8.6. If the ARB were to be wound up, DLUHC would:
- ensure that procedures were in place in the ARB to gain independent assurance on key transaction, financial commitments, cash flows and other information needed to handle the wind-up effectively and to maintain the momentum of work inherited by and residuary body.
 - specify the basis for the valuation and accounting treatment of the ARB's assets and liabilities.

- ensure that arrangements were in place to prepare closing accounts and pass to the Comptroller & Auditor General for external audit, and that funds were in place to pay for such audits.
 - arrange for the most appropriate person to sign the closing accounts. In the event that another public corporation or NDPB took on the role, responsibilities assets and liabilities, the Accounting Officer in the succeeding body should sign the closing accounts. In the event that the Department inherited the role, responsibilities, assets, and liabilities, DLUHC's Accounting Officer should sign.
- 8.7. The ARB should provide DLUHC with full details of any forms of claw-back, due to the ARB.
- 8.8. The ARB will submit an updated assessment of its liabilities including, leases, contractual commitments, and likely terms of redundancy to DLUHC every two years in conjunction with ARB's review of its reserves policy. The ARB will alert DLUHC to any significant changes in liabilities in the intervening period.

9. Framework Agreement Signatures

Signatures

Please enter the date and then sign above your name and title in the space below;



Signed: Sarah Healey
Permanent Secretary

Date: 03/11/2023

(On behalf of DLUHC)



Signed: Hugh Simpson
Chief Executive and
Registrar

Date: 25/09/2023

(On behalf of the ARB)

Annex A: Guidance

The ARB shall comply with the following guidance, documents, and instructions:

Corporate governance

- This framework document
- Corporate Governance Code for Central Government Departments (relevant to Arm's Length Bodies) and supporting guidance:
<https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments-2017>
- Code of conduct for Board members of Public Bodies:
<https://www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies>
- Code of practice for partnerships between Departments and Arm's Length Bodies: <https://www.gov.uk/government/publications/partnerships-with-arms-length-bodies-code-of-good-practice#:~:text=This%20code%20of%20good%20practice,partnership%20approach%20to%20shaping%20relationships>.

Financial management and reporting

- Managing Public Money (MPM):
<https://www.gov.uk/government/publications/managing-public-money>
- Government Financial Reporting Manual (FReM):
www.gov.uk/government/collections/government-financial-reporting-manual-frem
- Relevant Dear Accounting Officer (DAO) letters:
www.gov.uk/government/collections/dao-letters
- Relevant guidance and instructions issued by the Treasury in respect of Whole of Government Accounts:
<https://www.gov.uk/government/collections/whole-of-government-accounts>
- The most recent letter setting out the delegated authorities, issued by the parent department.

Management of risk

- Management of Risk: www.gov.uk/government/publications/orange-book and <https://www.gov.uk/government/publications/management-of-risk-in-government-framework>
- Public Sector Internal Audit Standards:
www.gov.uk/government/publications/public-sector-internal-audit-standards

- HM Treasury approval processes for Major Projects above delegated limits: <https://www.gov.uk/government/publications/treasury-approvals-process-for-programmes-and-projects>
- The Government cyber-security strategy and cyber security guidance: <https://www.gov.uk/government/publications/national-cyber-strategy-2022/national-cyber-security-strategy-2022> and <https://www.gov.uk/government/collections/cyber-security-guidance-for-business>

Commercial management

- Procurement Policy Notes: <https://www.gov.uk/government/collections/procurement-policy-notes>
- Cabinet Office spending controls: <https://www.gov.uk/government/collections/cabinet-office-controls>
- Transparency in supply chains - a practical guide: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1040283/Transparency_in_Supply_Chains_A_Practical_Guide_2017_final.pdf

Public appointments

The following are relevant where public bodies participate in public appointments processes.

- Guidance from the Commissioner for Public Appointments: <https://publicappointmentscommissioner.independent.gov.uk/>
- Governance Code on Public Appointments: www.gov.uk/government/publications/governance-code-for-public-appointments
- Procurement Policy Note 08/15 – Tax Arrangements of Public Appointees: <https://www.gov.uk/government/publications/procurement-policy-note-0815-tax-arrangements-of-appointees>

Staff and remuneration

- HM Treasury guidance on senior pay and reward: www.gov.uk/government/publications/senior-civil-service-pay-and-reward
- Civil Service pay guidance (updated annually): www.gov.uk/government/collections/civil-service-pay-guidance
- Public sector pay and terms: <https://www.gov.uk/government/publications/public-sector-pay-and-terms-guidance-note>

- Whistleblowing Guidance and Code of Practice:
<https://www.gov.uk/government/publications/whistleblowing-guidance-and-code-of-practice-for-employers>
- The Equalities Act 2010: www.gov.uk/guidance/equality-act-2010-guidance

General

- Freedom of Information Act guidance and instructions:
www.legislation.gov.uk/ukpga/2000/36/contents and <https://ico.org.uk/for-organisations/guide-to-freedom-of-information/>
- The Parliamentary and Health Service Ombudsman's Principles of Good Administration: <https://www.ombudsman.org.uk/about-us/our-principles>
- Other relevant instructions and guidance issued by the central Departments (Cabinet Office and HM Treasury)
- Recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and are relevant to [the ALB].
- Guidance from the Public Bodies team in Cabinet Office:
www.gov.uk/government/publications/public-bodies-information-and-guidance
- The Civil Service diversity and inclusion strategy (outlines the ambition, to which Arm's Length Bodies can contribute):
<https://www.gov.uk/government/publications/civil-service-diversity-and-inclusion-strategy-2022-to-2025>
- Guidance produced by the Infrastructure and Projects Authority (IPA) on management of major projects:
www.gov.uk/government/organisations/infrastructure-and-projects-authority
- The Government Digital Service:
www.gov.uk/government/organisations/government-digital-service
- The Government Fraud, Error, Debt and Grant Efficiency function;
www.gov.uk/government/collections/fraud-error-debt-and-grants-function and www.gov.uk/government/publications/grants-standards
- Code of Practice for Official Statistics:
<https://code.statisticsauthority.gov.uk/#:~:text=The%20Code%20of%20Practice%20for%20Statistics%20sets%20the,produced%20by%20people%20and%20organisations%20that%20are%20trustworthy.>
- Accounting Officer System Statements (AOSS are produced by departments with input from ALBs): www.gov.uk/government/publications/accounting-officer-system-statements

DLUHC contacts

This publication is available at: www.gov.uk/official-documents.

Any enquiries regarding this publication should be sent to us at
Office address and general enquiries

General Enquiries Correspondence
2 Marsham Street
London
SW1P 4DF
United Kingdom

General enquiries:

Please use this number if you are a member of the public

030 3444 0000

Email: correspondence@levellingup.gov.uk

HM Treasury contacts

This document can be downloaded from www.gov.uk

If you require this information in an alternative format or have general enquiries about HM Treasury and its work, contact:

Correspondence Team
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

Tel: 020 7270 5000

Email: public.enquiries@hmtreasury.gov.uk

