Board Paper

for Open session

Subject:

Q3 Performance Monitoring Update

Board meeting:

14 October 2026

Agenda item:

10

Action:

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

Purpose

To provide the Board with an overview of operational performance for Q3 of 2026.

Recommendations

The Board is asked to discuss the operational performance of ARB as set out in the Annexes to this paper.

Annexes

Annex A: Q3 2026 Performance Monitoring Report
Annex B: Management Accounts Q3 YTD 2026

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1. Open Session

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

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2. Background and key points

Performance Monitoring

2.1 Attached at Annex A is the Q3 2026 KPI Dashboard, reporting performance to the end of Q3 2026 against the three strategic themes of the Corporate Strategy 2026-30.

2.2 At the close of the quarter the Register stood at 40,114 architects, with most reported indicators on track. Two indicators are drawn to the Board's attention: Register availability of 95.4% fell below the 99.5% target, and the Professional Conduct Committee (PCC) caseload of 56 has breached the Tier 3 escalation point of 50.

2.3 A small number of further indicators are flagged for monitoring:

- the Part 1 prescribed examination pass rate;
- learning provider's causes for concern reporting
- the age profile of the professional standards caseload;
- staff sickness absence
- open title cases which continued to grow.

2.4 A further four indicators remain under review.

<u>Strengthening education and training</u>

2.5 ARB Assessments: Pass rates for both parts of the prescribed examination returned to the 60-80% range this quarter, with Part 1 at 60% (6 of 10) and Part 2 at 65% (17 of 26), against Q2 results of 45% and 52% respectively. Part 1 remains flagged for monitoring as it sits at the lower limit of the range. Demand for the run-out examinations has increased, including re-takes by previously unsuccessful candidates, and additional sittings will run in October and November. The UK Adaptation Assessment pass rate is 100% year to date (10 of 10), on lower volumes than in 2025.

2.6 Provider qualifications: 49 of the 69 providers (71%) have submitted transition applications, ahead of the end-2026 milestone of two thirds, and 10 have been approved. Further submissions are expected following the Board's decision on Professional Practical Experience. 32 providers have applied for a new-style qualification, of which nine have been approved, and three combined academic and practice applications have been received, with the first accreditation visit held on 2 October 2026. No accreditation rejections or removals were made. Two causes for concern remain under review by the Accreditation Committee.

Upholding confidence and trust

2.7 Registration: There were 254 first-time joins to the Register in Q3 2026, and the Register size is in line with budget assumptions. UK routes accounted for 82.7% of joins (77% in Q2; 80.6% for full-year 2025), including the new Partial Qualifications route, which has received 45 applications since its launch on 10 September 2026. EU joins fell to 7.1% (8.0% in Q2), and mutual recognition joins to 3.1% (7.1% in Q2), while examination-based joins rose to 7.1% (6.8% in Q2), likely reflecting notice of the end of the current prescribed examination. There have been 43 resignations year to date, with a further 20 notified to 31 December 2026. There were no registration appeals heard in the period; one applicant has since lodged an appeal and paid the fee, and the appeal is being listed. In line with the Registration Rules, it will be heard by a panel of Professional Conduct Committee members, and legal advice will be taken as part of the listing.

2.8 CPD removals: Removals for the 2026 CPD cycle total 355, representing 0.9% of the Register, of which 44 have since returned. This is the final data for the 2026 cycle and is unchanged since Q2.

2.9 Professional standards: The total caseload of 125 remains within the 150-case limit. The proportion of cases within the 15-month age target fell to 74% (78% in Q2), below the 80% threshold, reflecting large and complex cases now being prepared for the PCC, and is flagged for monitoring. The PCC caseload of 56 has breached the Tier 3 escalation point of 50, although no current bottlenecks have been identified. Mitigating actions include an additional staff member, wider hearings training, securing Committee availability for 2027 and listings for Q1 and Q2 2027. No service complaints were received in the period.

2.10 Title cases: A total of 184 title cases were open at the end of the quarter, an increase of 49 on Q2 2026, driven by the strike-off audit. Of these, 134 involve multiple issues of misuse and are subject to full investigation, 45 concern minor misuse and are being addressed through cease and desist action, and five have been assessed as involving no misuse and are due to close. An audit of the minor misuse cases will follow to evaluate the effectiveness of the cease and desist approach.

Delivering modern, effective and efficient regulation

2.11 Finance: The August 2026 reforecast shows a favourable full-year budget variance of £626k, comprising operating expenditure £416k (4%) below budget and project costs £210k below budget following the move of legacy systems decommissioning to 2027. Reserves stood at 8.4 months at December 2025 and are projected to close 2026 at 8.1 months (Q2 projection: 7.4 months), above the six-month target. Further detail is provided in the Financial Update below.

2.12 Information technology: Register availability was 95.4% against a 99.5% target, representing 4.6% downtime. This reflects the closure of the MyARB portal from 22 to 28 September 2026 following a priority 1 incident, which is reported to the Board under item 18 of this meeting. There were no upheld complaints to the Information

Commissioner's Office (ICO) and no whistleblowing reports in the period. The ICO issued advice to ARB following a complex freedom of information and subject access request; ARB has responded and the ICO is taking no further action.

2.13 People: Staff turnover stands at 11% (12.5% in Q2) against an establishment of 63. Sickness absence averaged 2.4 days per employee on a rolling four-quarter basis and has risen each quarter since Q4 2025; the Q3 figure of 3.8 days falls to 1.2 days excluding two long-term cases. The staff engagement score, an annual composite measure, remains at 92% against an 80% target.

Financial Update

2.14 Attached at Annex B are the Q3 2026 management accounts, covering the year-to-date position to the end of September 2026, together with the August 2026 reforecast. The Q3 YTD position shows a surplus of £3,306k, against a budgeted year-to-date surplus of £3,402k. As in prior years, this reflects the seasonal pattern of annual retention fee income, the majority of which is collected early in the year. Investments totalled approximately £8.2m as of 9th October 2026, with cash balances of approximately £3.7m at the same date.

Q3 Year-to-Date (YTD) Actuals

2.15 Revenue Performance:

- Total operating income of £10,262k is £388k (4%) ahead of the YTD budget of £9,874k and already exceeds the full-year reforecast of £10,204k. Total income of £10,387k represents over 99.9% of forecast full-year income.
- Annual retention fees of £8,832k are £197k above the full-year budget of £8,635k, and prescribed examination fees of £358k are £124k above the full-year reforecast of £234k, reflecting increased demand for the run-out examinations. Re-entry income of £199k is £109k behind the YTD budget. Accreditation charges of £659k, following annual invoicing in August, are in line with the full-year budget.
- Investment and bank interest income of £126k represents 68% of the full-year budget of £185k and is in line with the YTD budget of £123k.

2.16 Expenditure Performance:

- Operating expenditure of £6,739k represents 68% of the full-year reforecast of £9,979k, below a straight-line burn rate of 75%. Work continues with departments to understand underspends and any additional forecast costs, and the forecast will be updated in Q4 to reflect confirmed savings or additional expenditure.
- Against the phased YTD budget, expenditure is £440k (6%) lower. This is predominantly due to employee costs (£229k), associate costs (£172k), policy, research and communications (£94k) and professional services and legal advice (£91k) being lower at this point in the year. This lower expenditure is partly

offset by IT and digital (£92k) and professional conduct (£66k) costs which are performing ahead of budget due to timing.

2.17 Project Costs:

- Project expenditure of £50k has been recognised to date on the Windows 11 and laptop replacement project, representing 36% of the £140k reforecast and unchanged from August. The legacy systems decommissioning project (£210k) has moved to 2027 following delays in CRM development.

Full Year Forecast

2.18 Income is forecast at £10,571k, £182k above budget, principally because prescribed examination income is £176k higher: the reforecast assumes 210 examinations against 120 budgeted, as the final candidates come through the current examination ahead of the change to the examination process.

2.19 The August 2026 reforecast projects operating expenditure 3% (£309k) below budget. The CPD budget was set conservatively, because 2026 was the first year in which CPD was mandatory and enforced, and the level of human review and non-compliance could not be predicted; those costs are now known to be lower. Employee costs were also budgeted above the likely outturn, but given the level of staff absence earlier in the year, savings were not forecast until there was greater certainty. Associate costs have increased in line with the higher examination volume.

2.20 Project costs are projected £210k below budget due to the deferral of the systems decommissioning project into 2027.

2.21 As a result, the reforecast full-year position is an operating surplus of £410k against a budgeted operating deficit of (£6k), and a full-year surplus of £270k against a budgeted full-year deficit of (£356k).

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3. Risk Implications

3.1 There are no specific risk implications arising from this paper, but it is implicit that any fall of ARB operational performance will bring risks with it, be they financial, reputational or other form of risk.

3.2 Operational performance in relation to the headline metrics remains relatively stable, with positive data in relation to financial performance. Register availability, the PCC caseload and rising sickness absence are being kept under review.

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4. Equality and diversity implications

4.1 There are no specific EDI implications relating to this paper, although several of our core strategic aims relate to increasing access to the register and improving the culture within the profession.

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5. Recommendations

5.1 The Board is asked to discuss the operational performance of ARB as set out in the Annexes to this paper.