Board Paper
for Open session

Subject: **Performance Monitoring Update**

To receive an update on the performance data for Q2 of 2025.

Board meeting:

14 July 2025

Agenda item:

11

Action:

- For noting ⊠
- For discussion ☐
- For decision ☐

Purpose
To provide the Board with an overview of operational performance for Q2 of 2025.

Recommendations
The Board is asked to note and comment on the operational performance of ARB as set out in the Annexe to this paper.

Annexes
Annexe A: Q2 Performance Monitoring Report.
Annexe B: Management Accounts and 2025 Full Year Reforecast

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1. Open Session

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

2. Background and key points

Operations

Professional Standards

Case Load

2.1.   Cases at each stage of the investigations process remain steady and within expected parameters.

KPI Performance

2.2.   Performance against KPIs continues to show a steady and consistent rise in performance, with 70% of all investigations cases being concluded within their relevant timescale, and 80% of misuse of title cases.

Registration and Accreditation

2.3.   The Register has increased to 40,505 architects. Year to date, there have been 840 reinstatements following removal for non-payment of the retention fee. This constitutes 34% of those removed in January 2025. There has been an increase in the number of reinstatements in June, following the Professional Standards led audit of those removed for non-payment. The comparative figure for reinstatements by the end of Q2 in 2024, was 565 architects. We continue to monitor this change, and the impact on income.

2.4.   Year to date, performance against KPI for key operational routes continues to overperform against targets. For those joining the Register for the first time with UK, EU or International qualifications, 98% of the 686 applications were completed within KPI. Performance was an average of 5.2 working days (against a target of 15 days). For those joining for the first time, but with assessment by the Competency Standards Group, 100% of the 19 applications were completed against the 45 day target (on average, 16.3 days).

2.5.   There is a similar position in those re-joining the Register. For those reinstated after non-payment, or requesting readmission, 99% of the 903 applications were completed within the 5 working day target (on average 1.7 days). For those requiring assessment by the Competency standards group, 95% of the 30 applications were completed in an average of 20 days.

2.6.   As a result of the communications campaigns relating to CPD compliance, we are seeing an increase in the number of resignations. Year to date, there have been 83 resignations, either immediate, or up to 31 December 2025. Of these, 57 (69%) cite recent or previous retirement. We are continuing to review the trend, in relation to our forecasting of registrant numbers and income. Currently, just over 6% of the Register are over the UK retirement age, down from 11% last year.

2.7. We have seen an increase in MRA certificate requests. This is likely linked to the launch of the Canada MRA in May. Year to date, there have been 96 completed MRA certificate applications, taking an average of 5.8 days to process. Of these, 47 applications (49% of the total this year) relate to the Canada MRA.

2.8. Prescribed Examinations: We have conducted 57 examinations so far, with a further 18 active applications, booked until October 2025. We will not be running examinations in the retention fee period, and applications indicate that this will not create any waiting list.

2.9. Exam pass rates are slightly higher than last year. For the 43 Part 1 examinations, there is an immediate pass rate of 70%, with 7% failing. The remaining examinations were referred to the Lead Examiner to allow a post-examination submission on the criteria that were narrowly missed. For the 14 Part 2 examinations, the immediate pass rate is 71%, with 14 failing. The remaining 14% are Referral to Lead Examiner.

2.10. UK Adaptation Assessments volume remains low. We have had two applications from those using the Canada MRA. Activity from US and Australia/New Zealand remains low, with two booked assessments in July. This means the total UKAA activity with the Canada applications, is four assessments.

2.11. Information summarising the Prescribed Examinations and UK Adaptation Assessments activity, by year, and examination type, can be found online, at [Prescribed Examinations and Other Data - Architects Registration Board](#)

2.12. We have compiled the list of Providers to create the invoicing for the next accreditation fee. We are working with Finance to issue these invoices in August, covering the period of January to December 2025. We have had no Providers notify us of any intention to cease delivering credited qualifications, so our income is assumed to be stable.

External

Policy and Communications

2.13. Our engagement has continued with increasing numbers of events in Q2 of 2025. Our student/trainee engagement visits have reached almost 300 people in architectural education and training this quarter, and we've also hosted and participated in receptions and other events to support the launch of the new MRA with Canada. We have also held a webinar with the Professional Practical Experience (PPE) Commission to launch their report that concludes their work, followed by an online workshop for educators in which we heard views on our approach to PPE changes.

2.14. When we attended the SCOSA Conference in April, we heard from architectural educators that they want increased engagement from ARB, and an iterative approach to policy development that includes opportunities for ARB to listen to educators. In response we created our new Architectural Educators Engagement Network which currently has 160 members. The online workshop was one of our first events designed specifically to hear from educators on key policy areas at an early stage in our development work.

2.15. ARB had a busy few months in Q2, with new initiatives and announcements that we published and promoted including, as mentioned, our MRA with Canada and our plans to

change PPE, but also the publication of the finalised new Code of Conduct and Practice. This activity is reflected in the increase in media stories mentioning ARB. The Chief Executive gave an interview in the trade press, which helpfully explained ARB's role and aims. An increase in media stories with a negative sentiment about ARB was driven by a negative statement issued by RIBA, on the topic of our PPE changes.

2.16. Whilst visits to the online Register continue to increase, a change in our privacy policy and cookie settings renders our data on visits to our website (arb.org.uk) incomplete. Our first attempt at a solution did not improve our data collection and we now intend to work with colleagues to revisit the privacy policy and its application, so that we can continue gathering insights about how our website is used.

Freedom of Information and Subject Access Requests, Whistleblowing and Service Complaints

2.17. In Q1 and Q2 of 2025, we received 21 Freedom of Information requests and 6 Subject Access Requests. These numbers are slightly higher for this point in the year compared to previous years. The overall number of requests however, remains relatively low.

2.18. We have continued to respond to the majority of requests for information within the statutory deadlines and where possible have responded more quickly. Two of our responses were provided just outside of the statutory deadline. This was due to unforeseen staff absence and the complexity of the requests.

2.19. There were no instances of whistleblowing to date during 2025.

2.20. We reviewed the ARB Service Complaints Policy in Q4 of 2024 and rolled out a revised approach and process in early 2025. To date we have received one service complaint which primarily related to the cost of regulation, how ARB spends its income and ARB's accountability in relation to this. The complaint progressed to review stage but was not upheld. All timelines were met when handling the complaint.

2.21. As further complaints are received, we will continue to collate relevant data, identifying any emergent themes and trends, as well as lessons learned and subsequent actions that need to be taken forward.

Internal

Human Resources

2.22. Headcount is trending in line with the budget assumptions and establishment figures. Turnover statistics and sickness absence remains stable and low for Q2.

Finance

Financial Performance & outlook

2.23 Payment of invoices within 30 days continues was at 98% during Q2. The new PO system is now fully embedded and working well. We look to continue maintaining this performance whilst working with our software providers to improve functionality for users and reporting capabilities.

2.24   May Management Accounts which include May YTD Actuals, and the full year reforecast have been prepared. Key points are given below:

March 2025 YTD actuals:

Revenue Performance:

- 90% of the years reforecast revenue has now been collected.

Expenditure Performance:

- All expenditure lines continue to track under the May burn rate of 42%.

Project Costs:

- As at the end of May, the only Project Invoices received related to the PPE commission.

2.25   2025 Full Year Reforecast:

- There has been no change in the forecast revenue. The forecast expenditure has increased incrementally (less than 1%) following the approval of pay costs by the Board which were implemented from June onwards.

3   Risk Implications

3.1   There are no risk implications specifically relating to this paper, although organisational performance directly relates to the delivery of our corporate strategy and our Business Plan.

4   Equality and diversity implications

4.1   There are no EDI implications specifically relating to this paper.

5.   Recommendations

5.1   The Board is asked to note and comment on the operational performance of ARB as set out in the paper.

Contents

1. Balanced scorecard
   a) Operations: Professional Standards, Registration and Accreditation
   b) External: Communications, Freedom of Information and Subject Access Requests
   c) Internal: Human Resources
   d) Finance: Financial performance and outlook

2. Mid-year progress report on the 2025 Business Plan

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1. Balanced scorecard

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a. Operations

Professional Standards

Professional Standards: New case volumes

- Since the spike in new cases at the end of last year, complaint numbers have returned to normal levels.

- Our four-year data shows that an average of 16 cases are referred to the IP each quarter and 9 to the PCC. 2025 data is largely following those averages, with a slightly higher rate of IP referrals.

- Since the start of the year, we have experienced a shortage of available IP members, leading to a bottleneck of cases. At the end of June, we had six cases awaiting IP allocation. We have recently carried out IP recruitment to address this problem.

New Case Volumes

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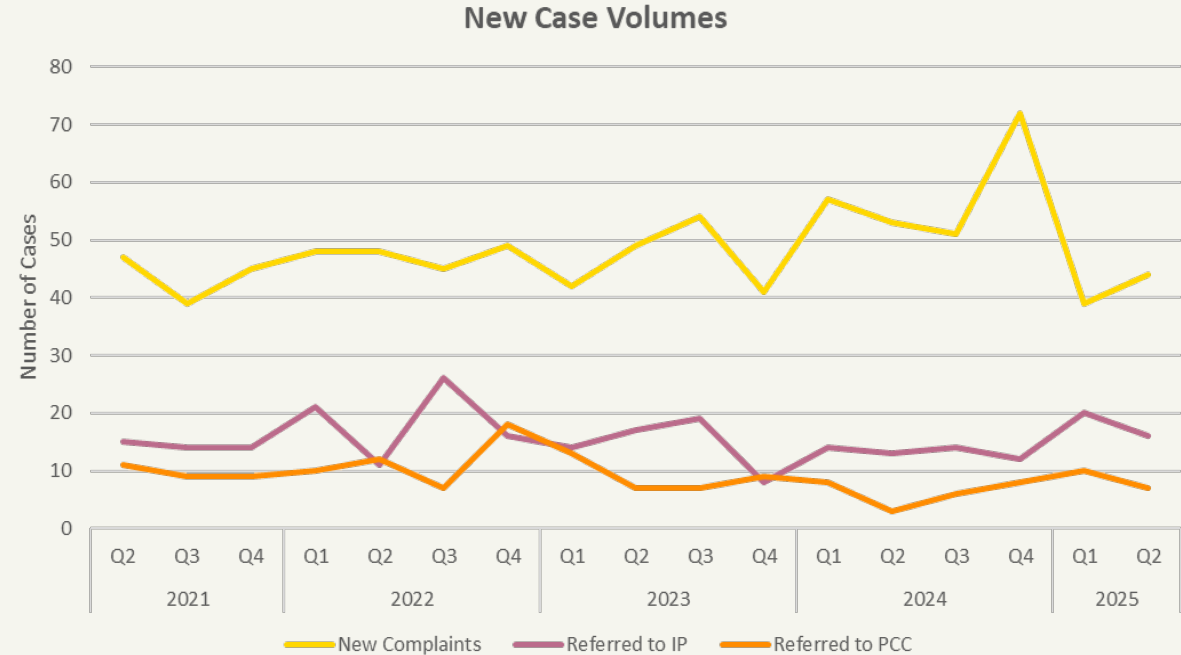
Professional Standards: KPI compliance

- KPI compliance has improved in all areas since the last quarter, most notably in the listing and conclusion of PCC cases which has reached almost 90%. The cumulative KPI now sits above **70%.**

- The investigations KPI is affected by the lack of available IP panel members, meaning cases cannot progress to the next stage until a panel is ready.

- The KPI improvements reflect targeted work, taking place across the team, since the start of the year.

KPI compliance

Legend: Investigations, IP, PCC, Cumulative

Screening and Investigations:
- Complaint received to screening closure: 12 weeks
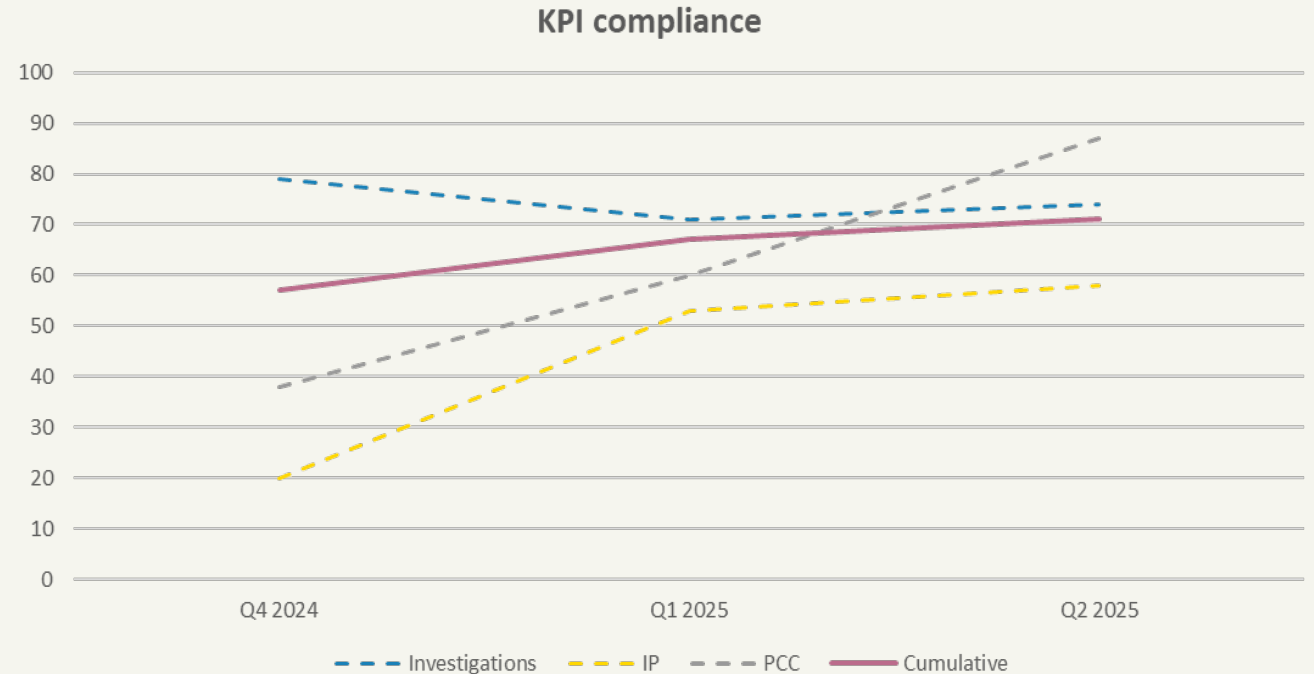- Acceptance criteria met to IP or Registrar: 12 weeks

IP and PCC preparation:
- Case closures: 12 weeks (case to IP to closure)
- PCC referrals: 28 weeks (standard case) 34 weeks (Complex case) (date sent to IP, to agreement of solicitor's report.)
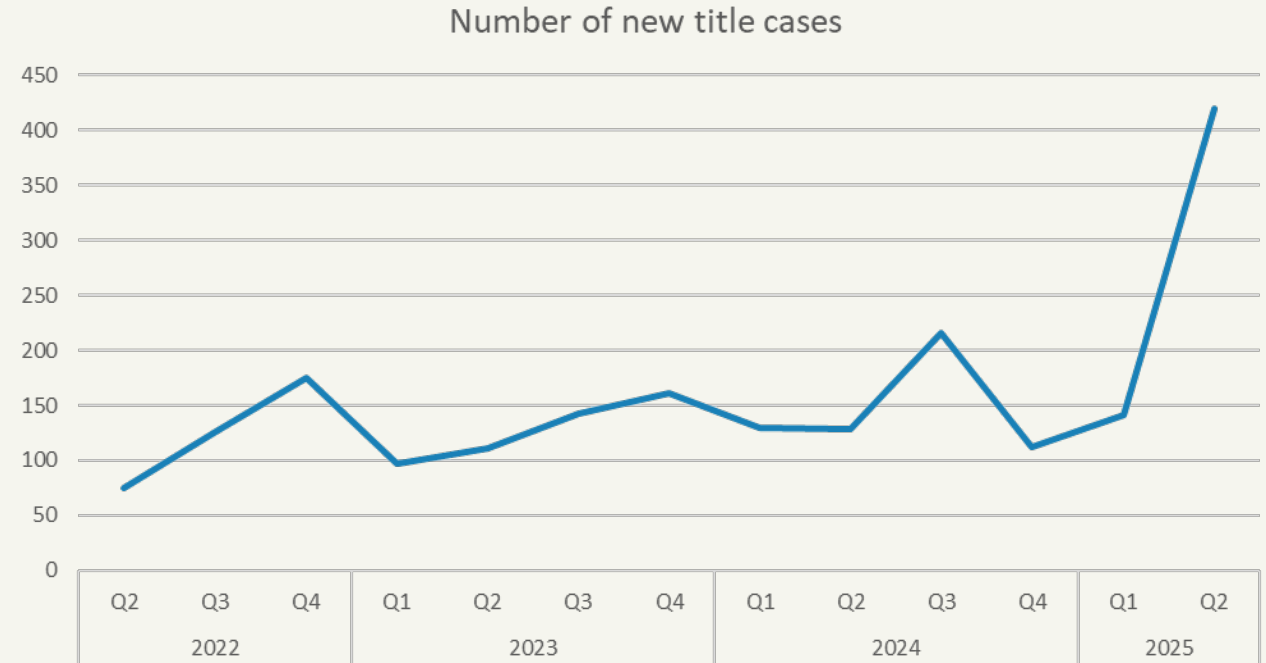
PCC listing and closure:
- 18 weeks (Approval of PCC report to last day of hearing)

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Professional Standards: Misuse of title

- We have seen a large peak of new cases in Q2. This is due to the start of the Strike Off Audit*. 419 cases have been opened. This represents a 200% increase on the previous quarter and almost double the peak of 2024. This high number reflects the high number of architects who left the Register at the beginning of the year.

- Strike Off Audit cases have been shared out across the Professional Standards department. 65 architects have so far rejoined the Register albeit we do not know how many did so as a direct result of the Audit.

Number of new title cases

*The Strike Off Audit is an annual audit of architects who did not renew their registration at the end of the previous year. We look at whether they are continuing to use the title and take action to prevent further title misuse. We take a risk-based approach to the Audit, prioritising cases where it is clear architectural services are still being provided in the UK.

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Professional Standards: Misuse of title

- KPI compliance remains above 80%.

Percentage of cases meeting Title KPI

	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
		2022				2023				2024			2025
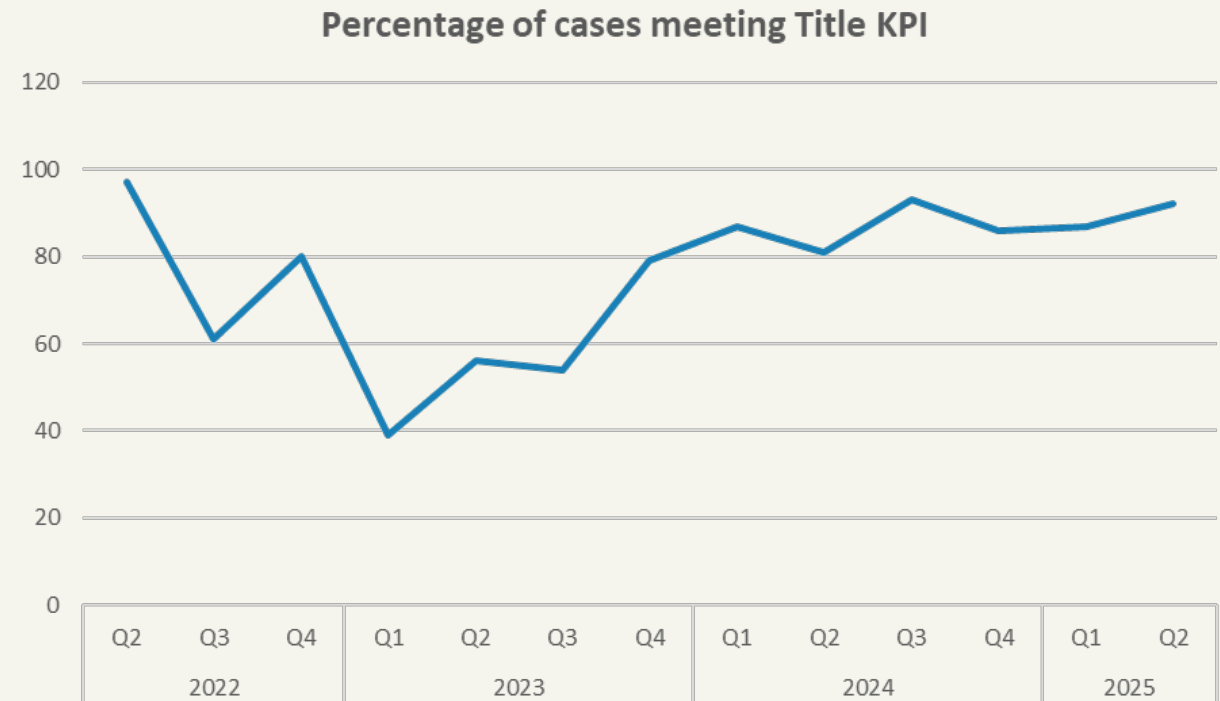
KPI: From receipt to closure or referral to solicitor: 14 weeks

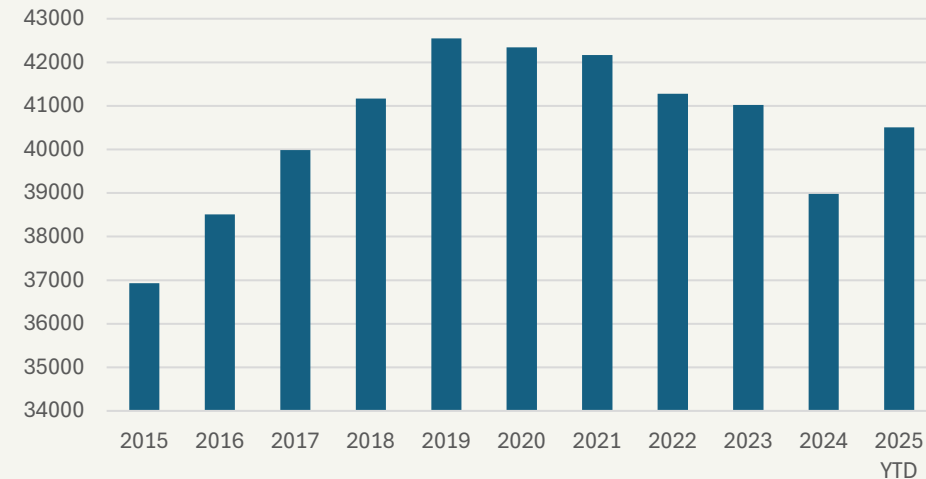Architects Registration Board

a. Operations

Registration and Accreditation

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Operations delivery: The Register

- Following the retention fee cycle, which closed on 15 January 2025, we removed 2468 architects for non-payment.

- The Register was 38,981 on that day.

- Subsequently, 840 removals have since rejoined the Register, along with a number of first time join applications, taking the Register to 40,505 on 2 July.

- The age composition of the Register has gone from 11% over UK retirement age, to 9.5% as a result of resignations and removals for non-payment.

- 95% of those applying to be reinstated are under the UK retirement age.

Number of architects on Register

Year	Value
2015	~36900
2016	~38500
2017	~40000
2018	~41200
2019	~42550
2020	~42350
2021	~42200
2022	~41300
2023	~41000
2024	~38950
2025 YTD	~40500

Age of those on the Register on 2 July 2025

Age group	Value
Up to 30 yrs	~2400
31 to 50 yrs	~24000
51 to 66 yrs	~11200
67 to 70 yrs	~1300
71+ yrs	~1600

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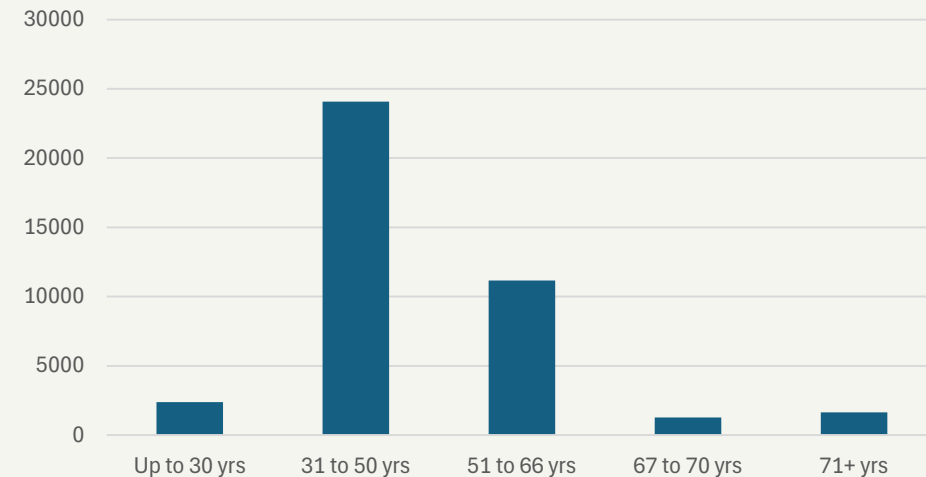
Reasons for resignations YTD

2 July 2025	Age or architect					
Reason for resignation	**Up to 30 yrs**	**31 to 50 yrs**	**51 to 66 yrs**	**67 to 70 yrs**	**71+ yrs**	**Grand Total**
I'm in a role now unrelated to Architecture		1	2	3		6
I'm no longer using the title in business or practice			4	2	1	1	8
I'm practising abroad			4	1	2	7
I'm resigning due to ill health				2		2
I'm resigning for other reasons			2		1	3	6
I'm taking a career break				2		2
I'm taking maternity/paternity leave			3			3
I've been retired for some time and no longer wish to be on the Register			1	2	6	15	24
I've recently retired				9	9	7	25
Grand Total	**1**	**16**	**21**	**19**	**26**	**83**

- 69% of those who have notified us of their intention to resign are over the UK retirement age
- 18% of those resignations are not currently working in the profession, or in the UK

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Operations delivery: applications & removals

- The number of first time applicants joining the Register in in line with budget and resource expectations

- Re-joins have exceeded those planned, likely as a result of a larger number of removals for non-payment in January

- We are noting more Competency Standards Group (CSG) applications, which we think is driven by the desire to return to the Register, to take advantage of recent MRA/MOU routes

- UK Adaptation Assessments remain low, with income minimal from this stream. Examinations are tracking the expected trend.

Applications versus projected volumes at year end

Bar chart comparing Actual YTD (yellow) and Budget forecast (blue) across categories: UK Adaptation Assessments, Prescribed Exams, MRA Certs, EU Certs, CSG, Rejoins, First time joiners. X-axis from 0 to 1800.

Legend: Actual YTD, Budget forecast

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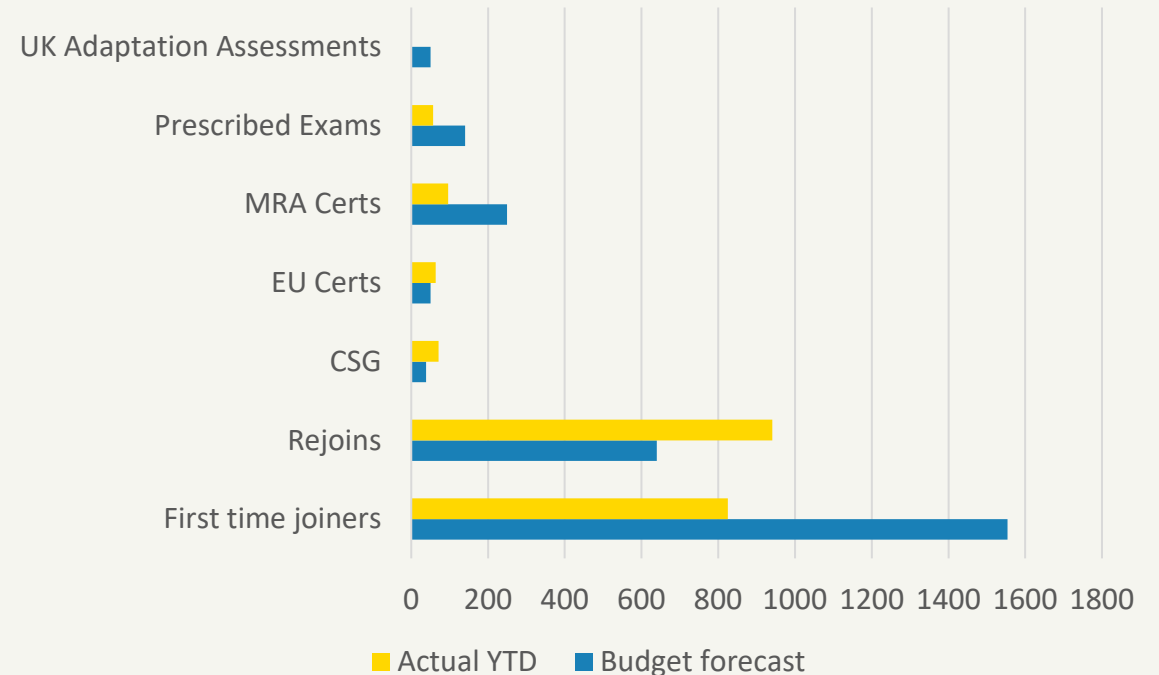
Operations Delivery: Time to join the Register

- Data for both routes outperforms the KPI, with 98% of those joining for the first time joining in less than 15 days. The average of the 686 applications is 5.2 days

- 100% of those following the CSG route were completed in the KPI, with an average 0f 16.3 days

- CRM continues to support efficient allocation and conclusion of applications

- 49 applications submitted were closed as ineligible, mostly due to divergence between EU qualification frozen annexe

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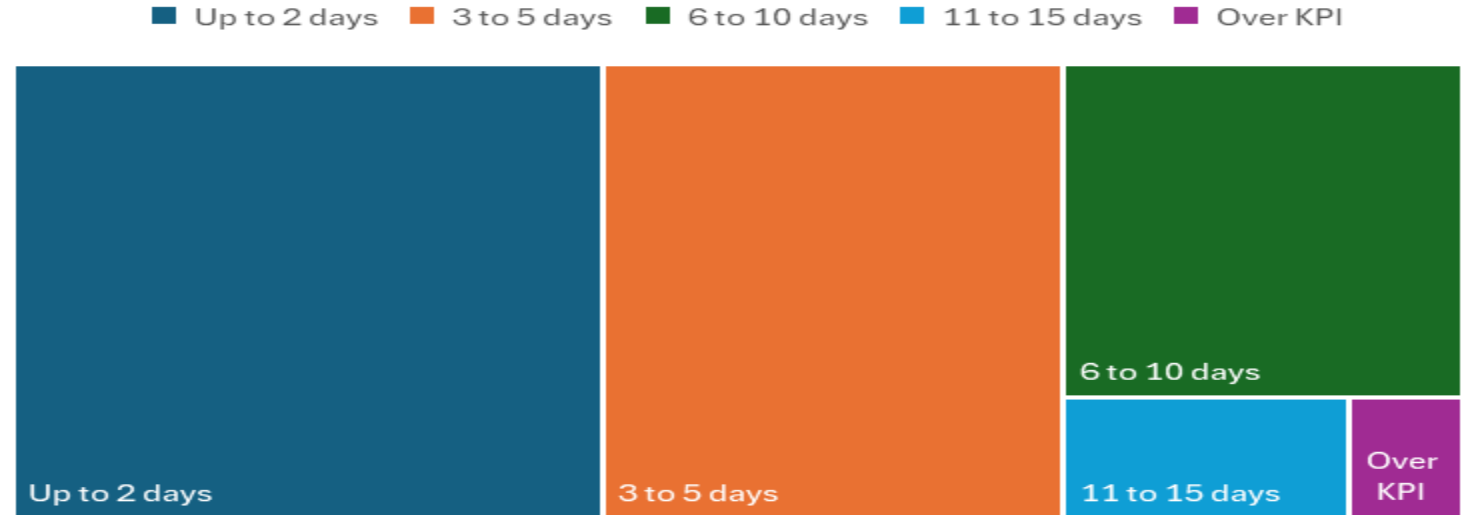
Operations Delivery: Time to Re-join the Register

- 99% of the 903 reinstatements after non-payment of the fee were approved within KPI. The average time to process these applications was 1.7 days (compared to the 5 day target)

Readmissions

■ Up to 1 day ■ 1 to 2 days ■ 3 to 5 days ■ Over KPI

Up to 1 day	1 to 2 days	3 to 5 days

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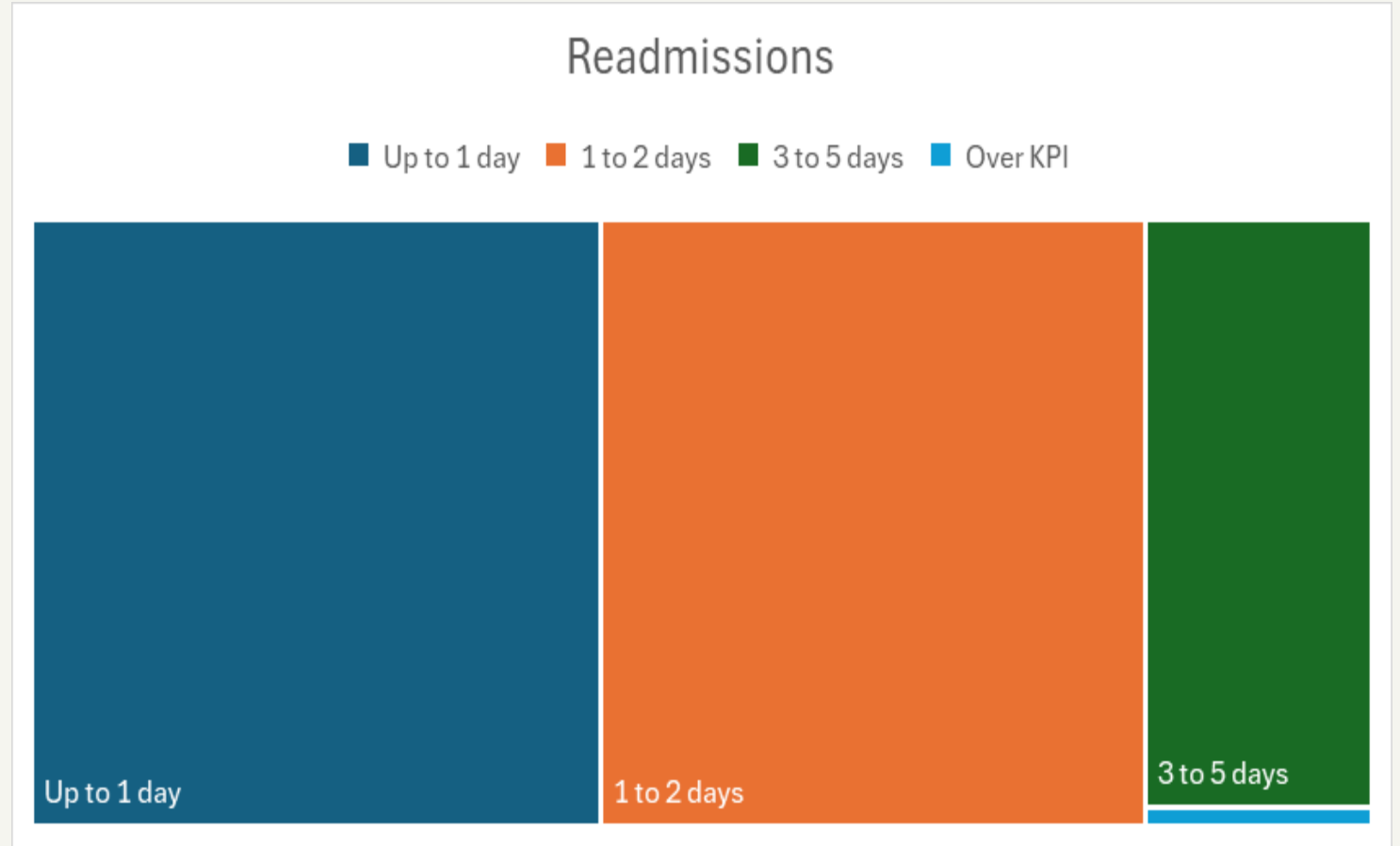
Accreditation

- The number of currently accredited qualifications, by Part, and by Provider, remains unchanged.
- New applications continue to be received, with 23 applications formally submitted since the new framework began
- We will visit a third of the existing Providers in 2025, in line with our Transition Plan aim to have visited all Providers by 2028

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b. External

Communications

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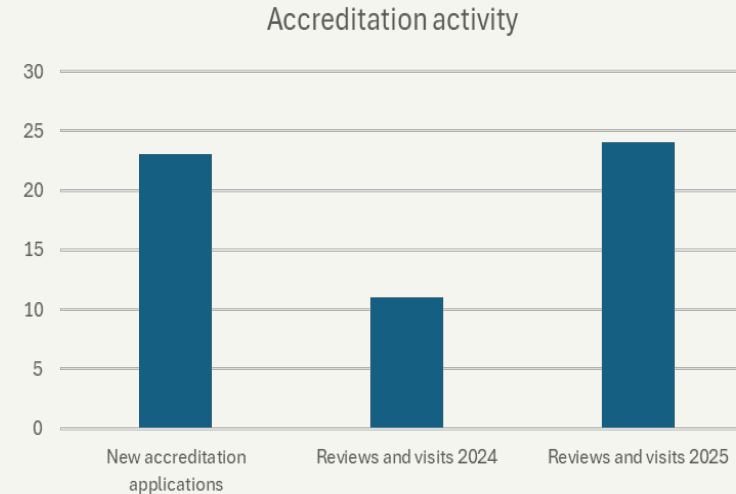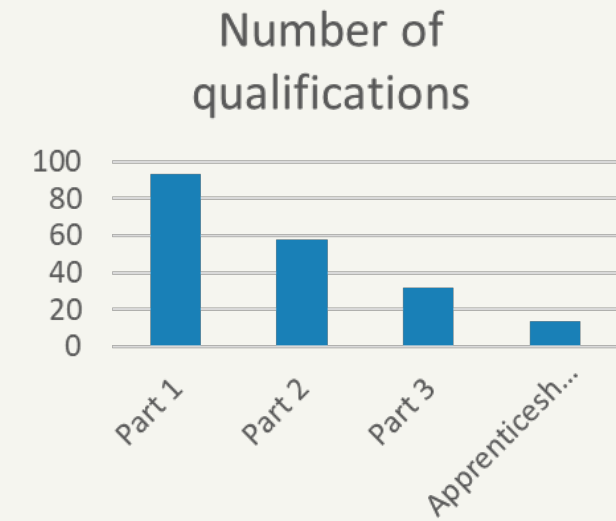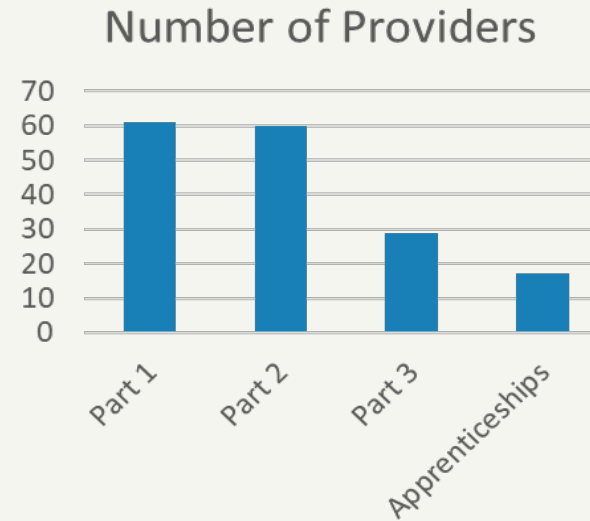
Engagement: meetings and events

- Our brand identity is that we want stakeholders to experience ARB as expert, purposeful and engaging. Our strategic aims guiding our communications efforts are that stakeholders understand our role and their responsibilities, and that we have valuable engagement. Valuable engagement means two way conversations in which stakeholders feel heard and ARB gathers useful insights to shape our regulatory approach.

- We evaluate our meetings and events by the number we held (as these particular communications activities are two-way conversations), the range of stakeholders reached and, where appropriate, whether the attendees found the event useful. On the Events graph, attendee satisfaction is shown at the top of each column (an average across the events in that period) but we do not poll attendees at every event.

- In Q2, many of our meetings and events focused on two areas. The first was our visit to Canada to promote the new MRA, which involved political meetings in advance and meetings with the profession while we were there. The second was two online events surrounding the launch and update on our PPE Commission plans.

Meetings

Events

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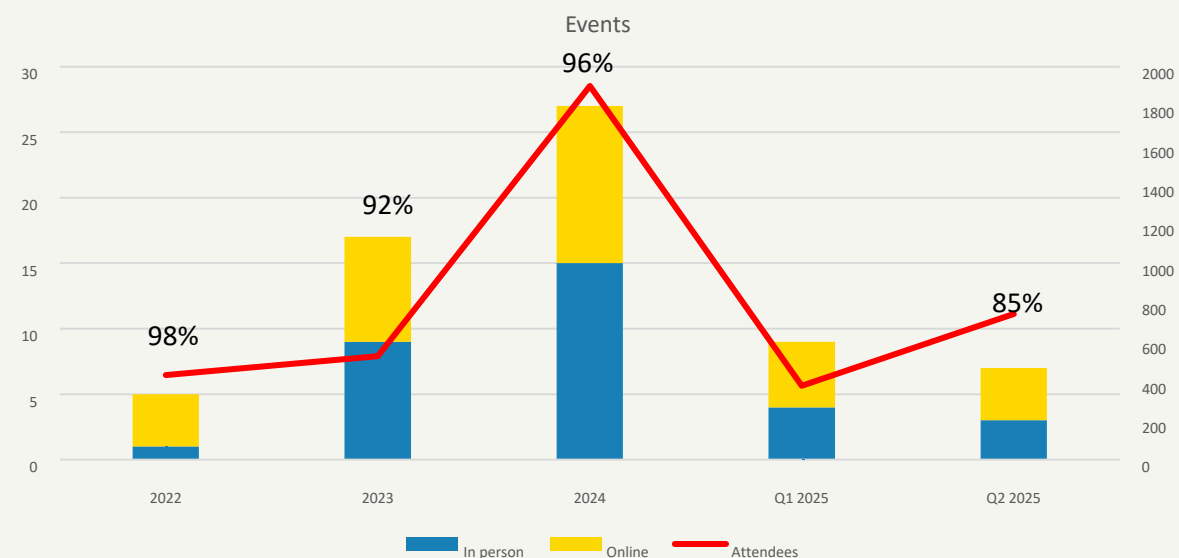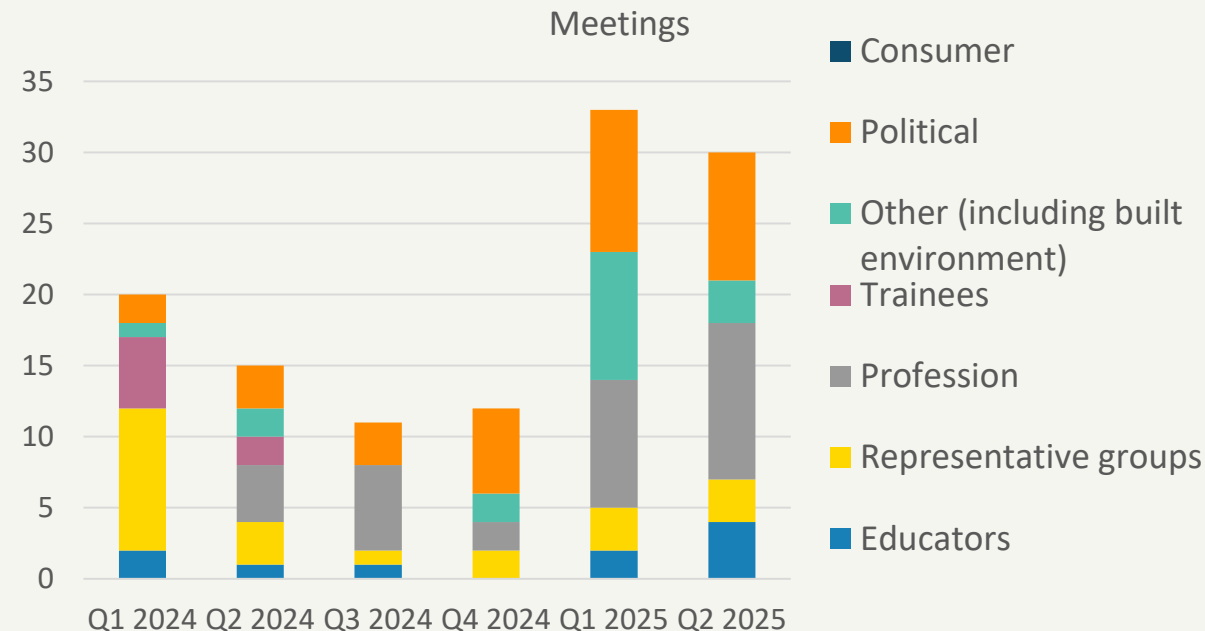
Engagement: surveys and consultations

- In light of our brand identity and strategic communications aims, we evaluate our consultations and surveys by the response rate (as this indicates how many stakeholders we hear from), the range of stakeholders reached, and whether we gathered useful insights that led to changes or developments in our proposals.

- The first graph shows the average number of responses annually across all our consultations and surveys, split between technical (which have a limited scope of interest and/or audiences) and strategic.

- The consultation on the first tranche of Code guidance closed in this period. This was a technical consultation and received 18 responses.

Consultations and surveys: average number of responses

Legend: Strategic (yellow), Technical (blue)
Years: 2022, 2023, 2024, 2025
X-axis: 0, 200, 400, 600, 800

Consultations and surveys: Q2 2025

Code guidance - Tranche one

Legend: Educators, Representative groups, Profession, Trainees, Other built env. Professionals, Other

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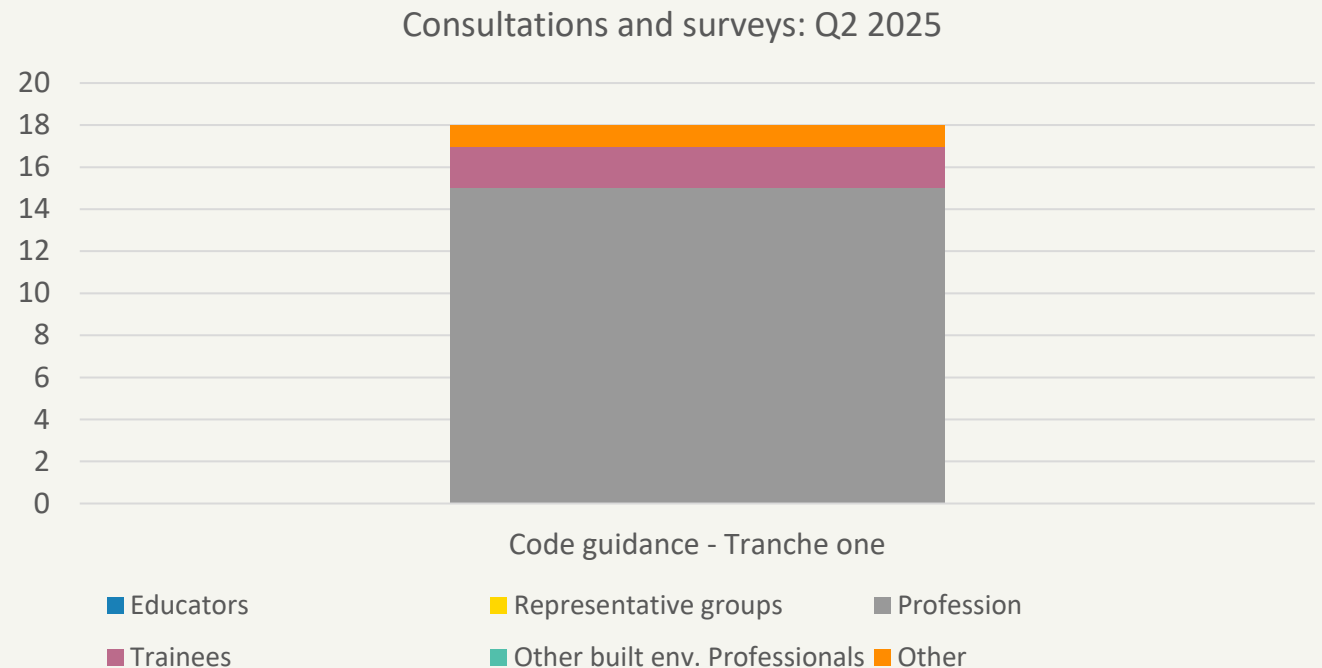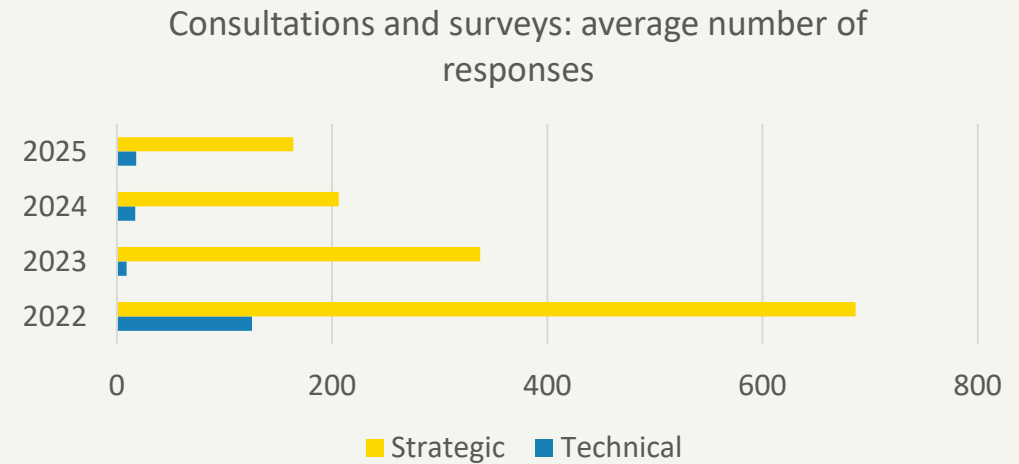
Engagement: ARB Insight

- In light of our brand identity and strategic communications aims, we evaluate the success of ARB Insight by whether registrants are opening (reading) the email and whether they click on links to access more information. These measures are a proxy for evaluating whether stakeholders understand our role and their responsibilities.

- ARB Insight is sent out after each Board meeting. The most popular links in June were all related to the new Code, and included links for the new webpage for the Code, a link to register for a webinar promoting the Code, and a feature article written for ARB Insight.

- Clicks were up by 34% compared to the February edition. However, we're still down slightly compared to last year.

- The new format launched in 2024 reduced the number of articles in the email, to gain more value from the increased open rates. As a result, there are fewer stories to 'click' open, and more to read in the body of the email.
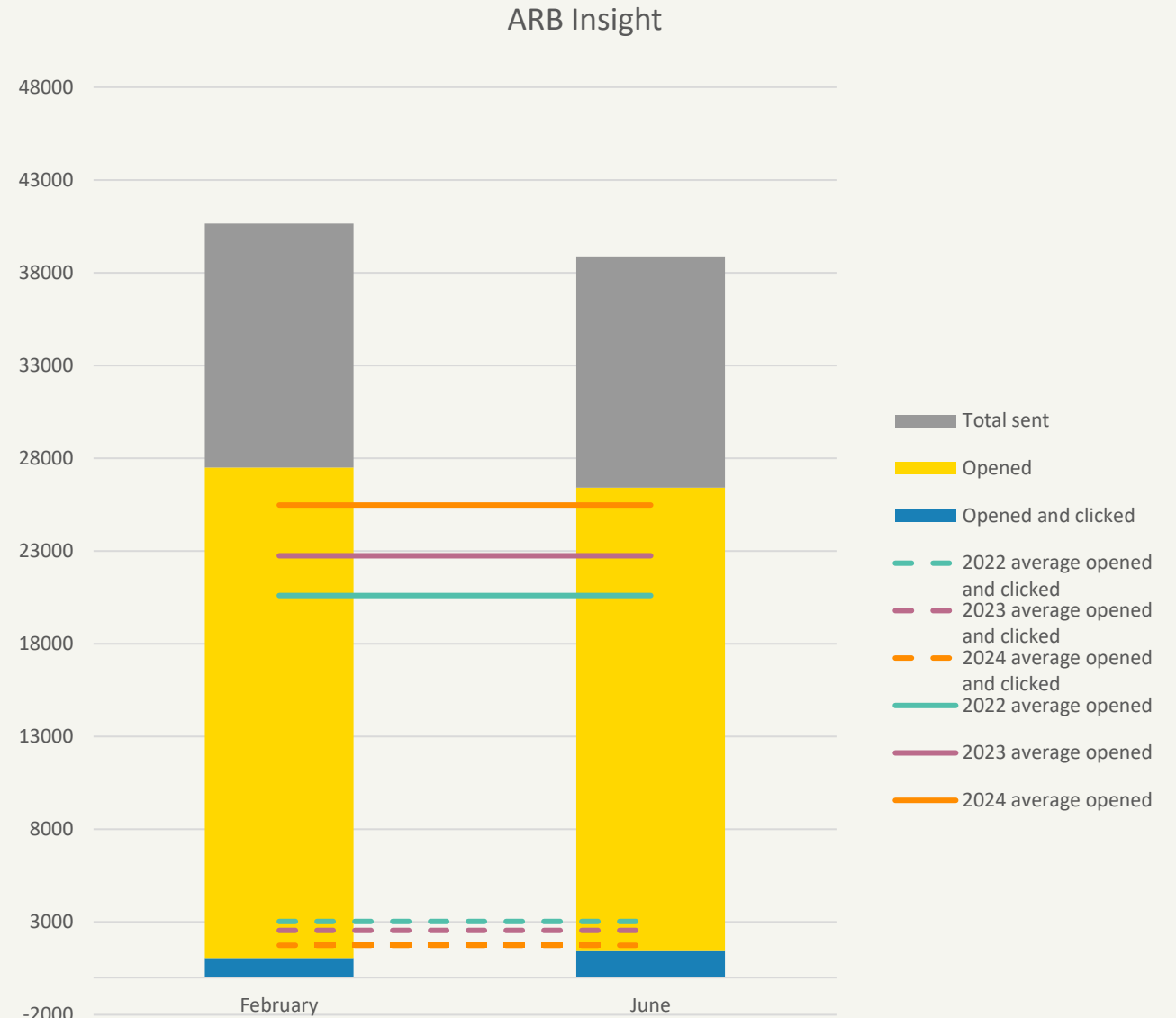
ARB Insight

Legend:
- Total sent (grey)
- Opened (yellow)
- Opened and clicked (blue)
- 2022 average opened and clicked
- 2023 average opened and clicked
- 2024 average opened and clicked
- 2022 average opened
- 2023 average opened
- 2024 average opened

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Media and social media

Media stories and Sentiment

- In light of our brand identity and strategic communications aims, we evaluate our media coverage by the number of stories that include our key messages (as a proxy for stakeholders reading about and understanding our role) and their sentiment (as a proxy for understanding stakeholder perceptions of whether we are expert and purposeful). We evaluate social media by the number of people choosing to stay informed about our work.

- We track the number of stories and their sentiment (average for earlier years, real for in-year quarter). The sentiment is tracked manually; a monitoring service alerts us to mentions, but we read each story mentioning ARB and record the sentiment in it.

- Social media shows total number of followers and number of impressions across all channels together. Followers carry over year on year, but 'impressions' are tracked on an annual basis and will cumulate as we post over the year. These are tracked on the *left* axis. We also track 'engagements' (reactions, shares, clicks and views). Engagements are tracked against the *right* vertical axis.

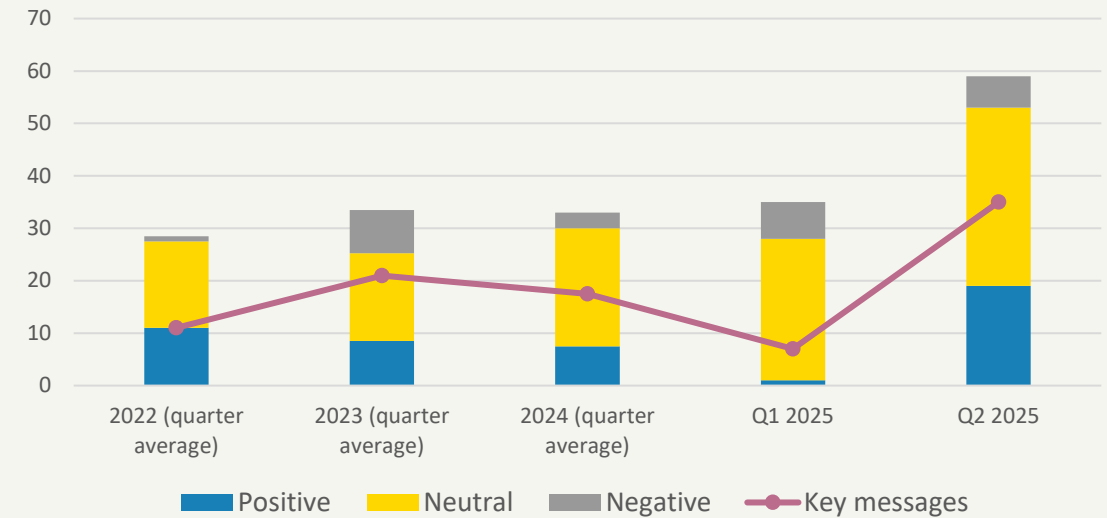All social media channels

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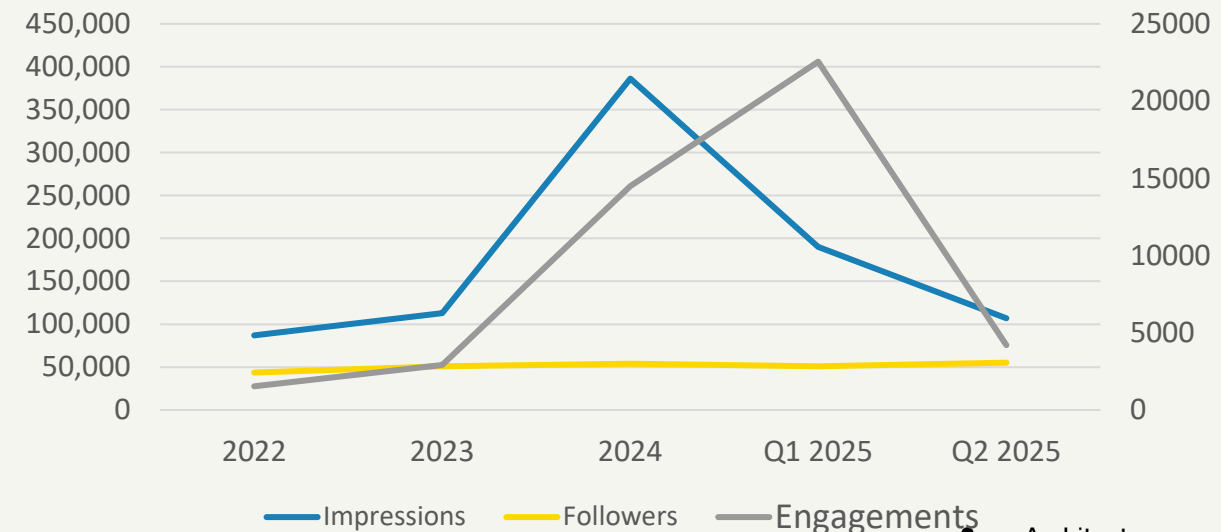
Website

- In light of our brand identity and strategic communications aims, we evaluate the success of our website by whether stakeholders are visiting our sites to access information, which will give them an understanding of our role and their responsibilities.

- For the public information pages, we also want to know how long people spent on the pages (as a proxy for the information they consumed and therefore their understanding) and the number of people clicking on to the Register (as a proxy for understanding whether people go on to search for architects).

- The home page excepted, the three most visited webpages for this quarter were the MyARB login page, the CPD hub page, and the prescribed exams page. However, our data for visits and engagements is compromised by a cookie issue we've detected following privacy policy changes. We are exploring solutions.

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Incorrect data due to cookie issue.

Legend: Organic search, Direct, Referral, Social, Other, Average engagement time

Categories: 2022 (quarter average), 2023 (quarter average), 2024 (quarter average), Q1 2025, Q2 2025

Register

Legend: Organic search, Direct, Referral, Social, Other, Average engagement time

Categories: 2023 (quarter average), 2024 (quarter average), Q1 2025, Q2 2025

Public information pages

Incorrect data due to cookie issue.

Legend: Organic search, Direct, Referral, Social, Other, Average engagement time

Categories: 2023 (quarter average), 2024 (quarter average), Q1 2025, Q2 2025

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b. External

Freedom of Information and Subject Access Requests

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Freedom of Information Requests (FOIs) and Subject Access Requests (SARs) - Statistics 2021-2025 (YTD)

Key Insights for Q1 and Q2 2025:

Total FOI requests received = 21 (4 out of 21 requested commercial information)

Total Subject Access Requests = 6

- 20 % of FOI requests in 2025 were seeking commercial information relating to various operational needs/contract details of ARB.

- 30 % of FOI requests were seeking information related to Professional Conduct Cases.

- Other FOI requests included:

  - ARB's Expenditure

  - Staff expense and International travel

  - Organisation's History; Accredited qualifications

  - Generative AI

  - CPD Requirements
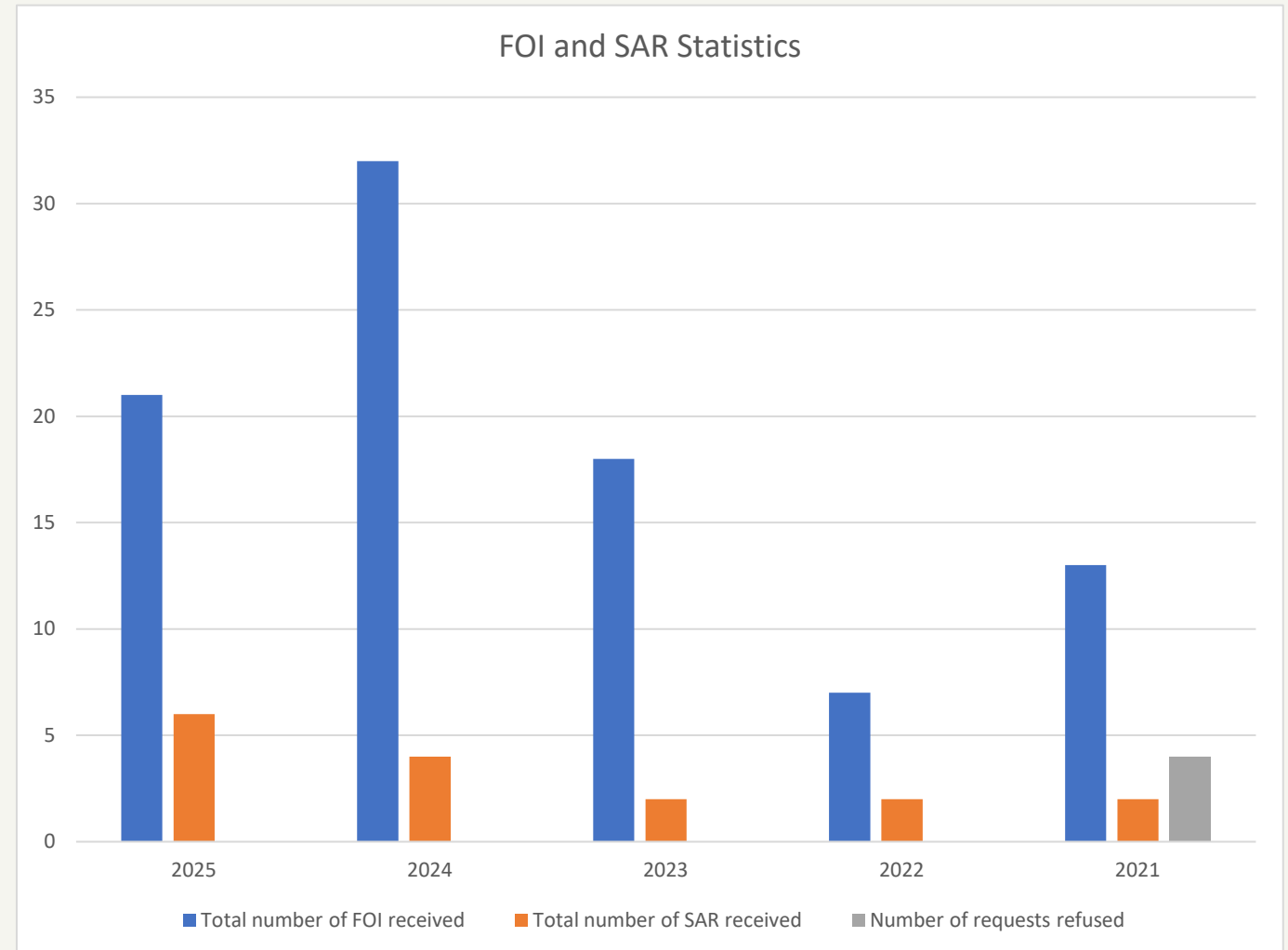
FOI and SAR Statistics

Legend:
- Total number of FOI received (blue)
- Total number of SAR received (orange)
- Number of requests refused (grey)

Year	Total number of FOI received	Total number of SAR received	Number of requests refused
2025	21	6	
2024	32	4	
2023	18	2	
2022	7	2	
2021	13	2	4

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Freedom of Information Requests (FOIs) and Subject Access Requests (SARs) - Statistics 2021-2025 (YTD)

Statutory timeline for responses to requests:

Freedom of Information Requests	28 working days
Subject Access Requests	30 Calendar days

Two responses to data requests were sent outside the statutory deadline. This was due to staff absences and the complexity of the requests.

What information we collect overall for Freedom of Information Requests (FOIs)/Subject Access Requests (SARs):
Date of request
Requestor
Deadline
Days taken to respond
Response sent within timscale (Y/N)
Time Taken
Reponse Accepted/Refused
Follow-up complaint
Reasons for failing to Comply/Refusing the request

FOI and SAR statistics 2021-2025

Legend: ■ Average Days taken to respond ■ Response sent within timscale ■ Response sent outside of timscale

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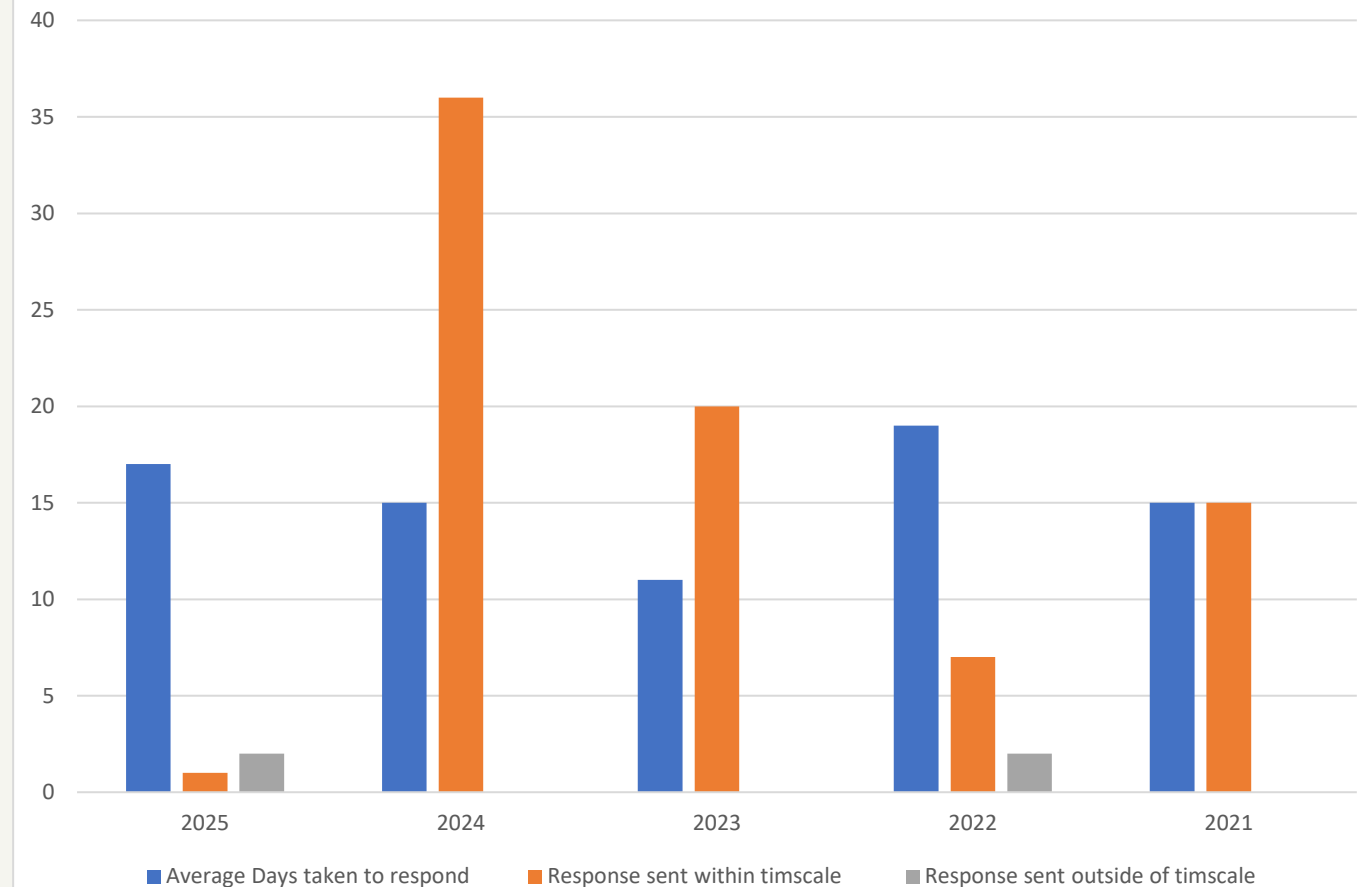
Whistleblowing and Service Complaints Statistics

- Whistleblowing = 0
- Service Complaints = 1

The ARB Service Complaints Policy was reviewed in Q4 2024, and regular reports will be provided to SLG, Audit and Risk Assurance Committee and the Board. The Governance team will capture the following data:
- Department for complaint
- Response rates (Days taken to respond, deadline for acknowledgement)
- Review Stage
- Lessons learned
- Whether the complaint is upheld

Timeline for Service Complaint responses:

Acknowledgement of Service Complaint	3 Days
Deadline to respond to the Complaint	20 working days

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Service Complaints Statistics

The approach to ARB's service complaints was reviewed in the second part of 2024, and regular reports will now be provided to SLG, the Audit and Risk Assurance Committee and the Board. The Governance team has captured the following data:

- Number of Service Complaints received = 1

- **Department which received the initial complaint** – Registration

- **Response rates –** Acknowledged within 3 days; Days taken to respond – 18 working days

- **Nature of the Complaint –** Based on the Annual Retention Fee the complaint was about ARB's high costs and ARB's accountability

- **Review Stage –** Progressed to review stage and response sent in 14 working days

- The complaint was **not** upheld

- Comprehensive response sent including coverage of the following points raised within the complaint:

   - Cost of regulation and formal accountability

   - The Architects Code: Standards of Conduct and Practice; Principles of Public Life

   - Annual Report and ARB's Strategic Objectives and Business Plan

   - Information for Public, Students and Schools of Architecture

- **Review Stage –** Progressed to review stage and response sent in 14 working days

- The complaint was **not** upheld

Timeline for Service Complaint responses:

Acknowledgement of Service Complaint	**3 days**
Deadline to respond to the Complaint	**20 working days**
Deadline to respond to the Review	**20 working days**

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c. Internal

Human Resources

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Headcount by Gender and Ethnicity

- The budgeted headcount for 2025 is 66, with current headcount in Q2 at 64.
- The % headcount split is 58:39 female to male, where the % of male employees has increased since 2024.
- On the ethnicity data collection, 20 staff have selected the "prefer not to say" option and we will do further work to bring this figure down.
- Those that have not completed the information are recorded as undisclosed.

	Permanent	Fixed Term	Secondment	Agency Temps	End of Q2 Total
Female	33	4	0	0	37
Male	24	1	0	0	25
Non-Binary	0	0	0	0	0
Prefer Not to Say	0	1	0	1	2
Total	**57**	**6**	**0**	**1**	**64**

Record Count

64

11 (17.19%)
19 (29.69%)
4 (6.25%)
20 (31.25%)
5 (7.81%)

Ethnicity ● - ● Any other Asian Background ● Carribbean ● Irish ● Prefer not to say ● White ● Other
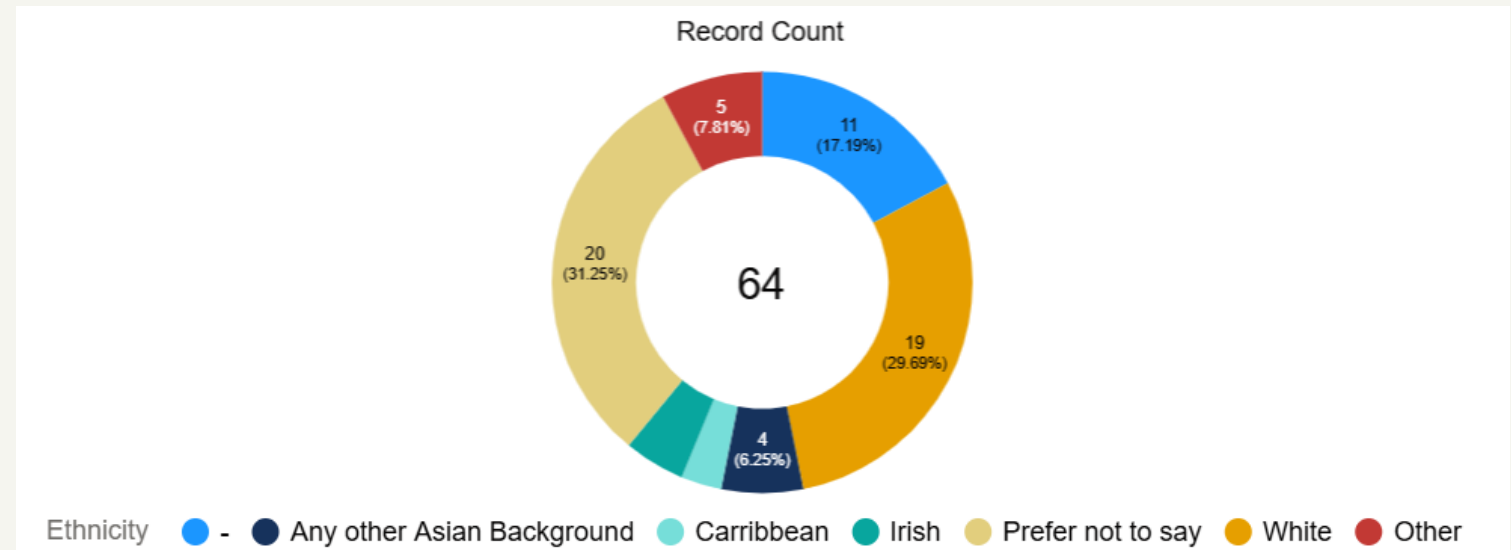
Age Profile for current Staff

- The age profile has changed slightly from 2024 where the number of staff aged 18 to 34 was 27, compared to 21 in 2025. Further analysis will take place to determine if this was due to recruitment or staff moving age brackets.
- Important to note that there is an increase in the number of staff in our older age bracket.
- As we embed the new reporting approach, we will consider further analysis on the impact of age profile on for example length of service etc.
- The new starters in Q2 are from a wide range of age profiles.

Age Profile

Record Count

- 5 (7.81%)
- 16 (25%)
- 18 (28.13%)
- 15 (23.44%)
- 10 (15.63%)

64

Age Brackets: ● 18 - 26 ● 27 - 34 ● 35- 43 ● 44 -52 ● 53 - 61

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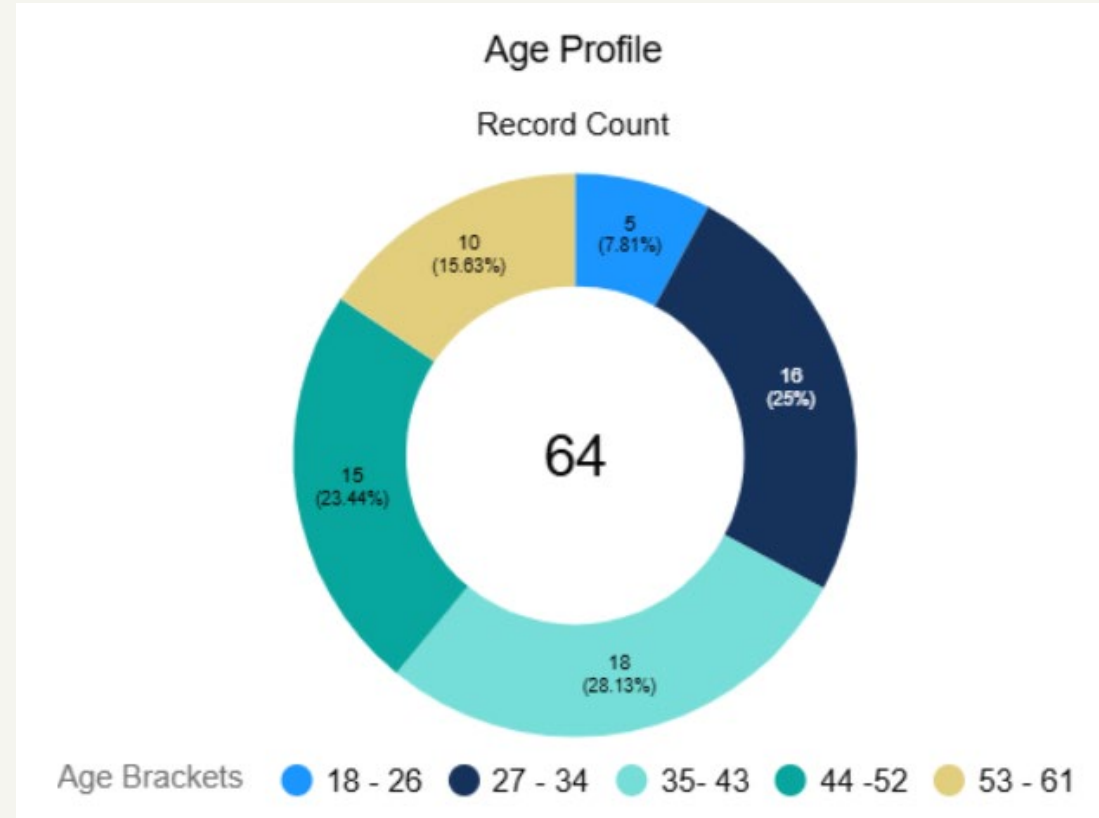
Headcount and resourcing costs

- As previously reported, headcount is increasing incrementally although for Q2 2025, one employee left ARB.

- We will provide an update on staffing budget at the Board meeting once Q2 costs are analysed which had not been complete by the time papers were prepared.

Establishment v actual headcount at the end of the period

Total employee costs

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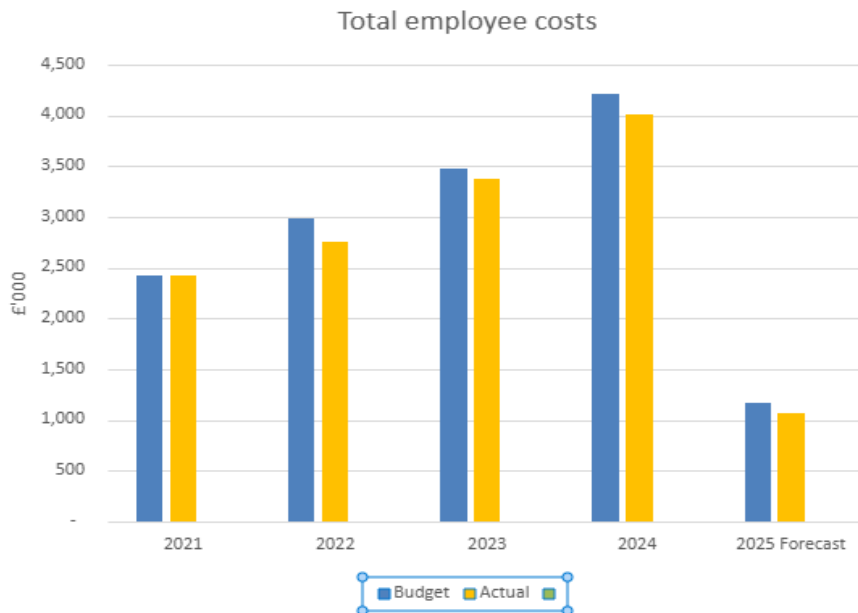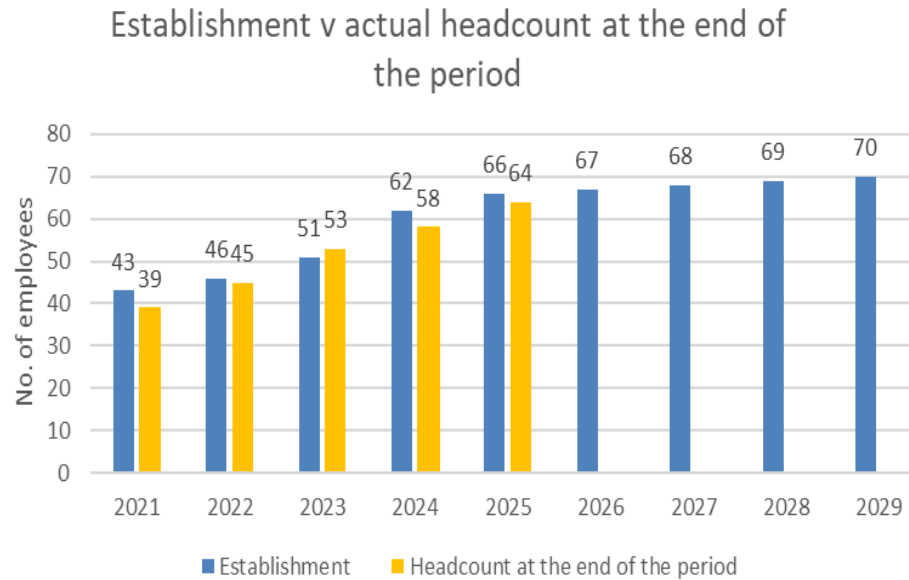
Staff turnover

- As previously reported, we were slightly above the public sector staff turnover statistic of 15% for 2024.
- For Q2, we have had one leaver this period.
- The data shows that the turnover is lower than it was for 2024 but higher than 2023.
- We will continue to complete exit interviews to gather intelligence and information on the reasons that staff leave.

Annual turnover of staff

Staff turnover per quarter

Absence levels

Total Days lost through absence per year

Days lost through sickness absence per QTR 2023 compared to 2024 and 2025
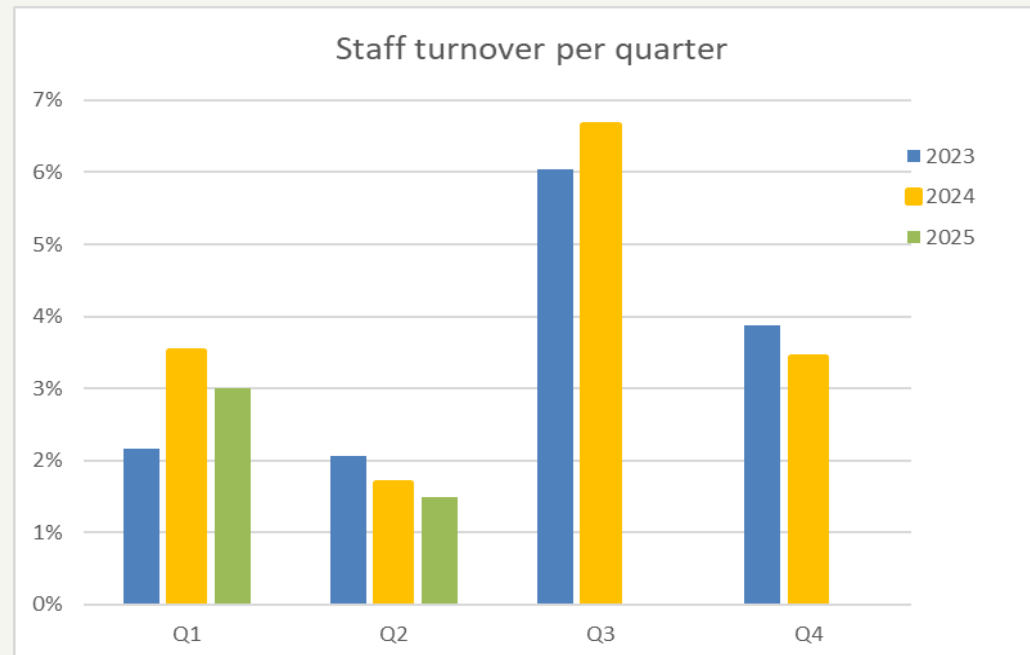
- As previously reported, overall absence levels for 2024 were 10% higher than they were for 2023. This can be attributed to an increase in headcount.
- Absence levels for Q2 2025 are at a relatively low rate compared to previous years and indeed Q4 2024. This is a positive shift.
- The number of staff on sickness absence are low – the data is linked to a couple of long-term sickness absences.
- For these cases, support continues through the employee assistance programme with manager guidance and advice from HR to manage the more difficult cases. These are linked to mental health which impacts performance outcomes.

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d. Finance

Financial performance and outlook

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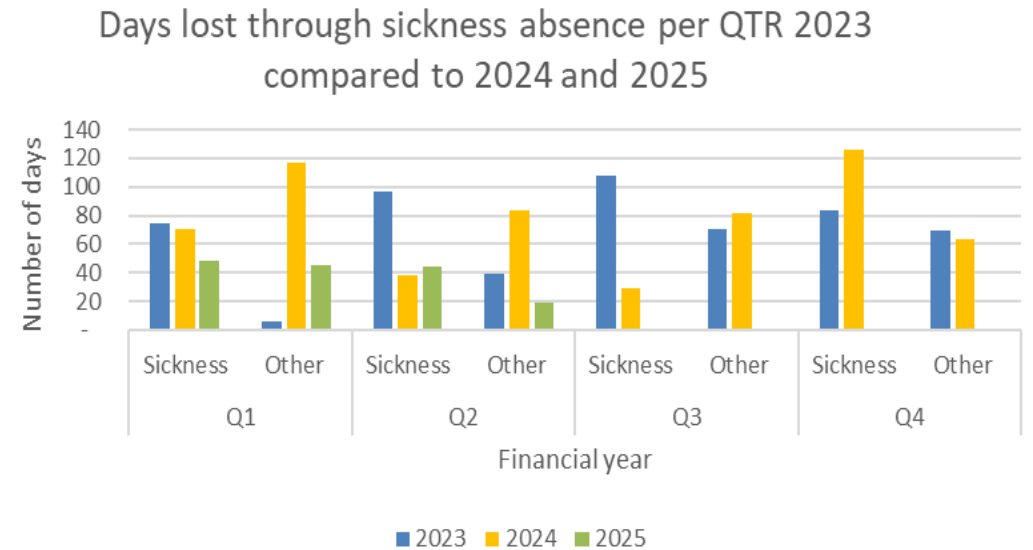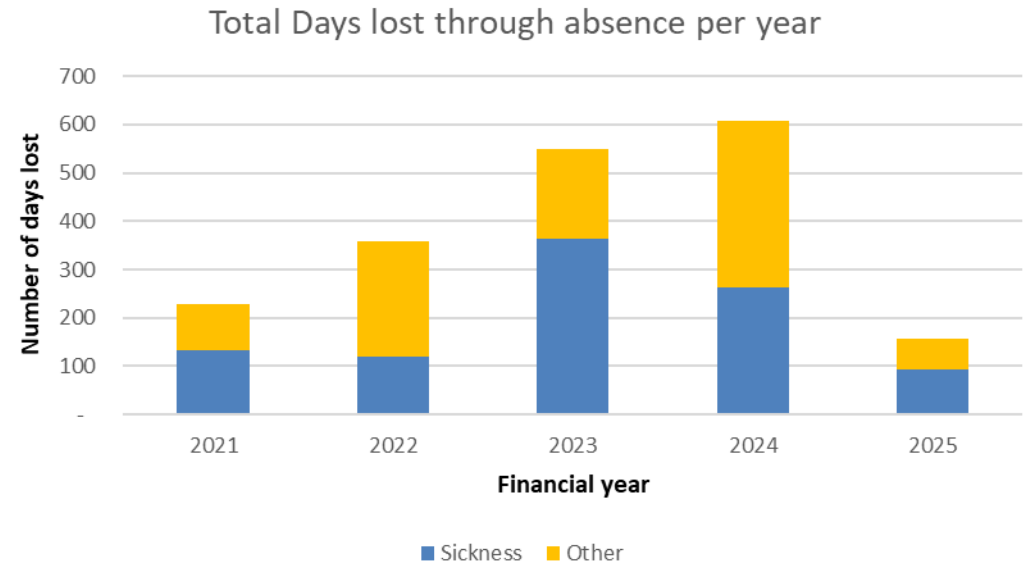
Invoice payments

- KPI performance in Q2 2025 was at 98% against an average of 93% in Q1 2025 and 92% in 2024.
- The new PO system is now fully embedded and working well. We look to continue maintaining this performance whilst working with our software providers to improve functionality for users and reporting capabilities.

Undisputed invoices paid within 30 days of receipt

Chart — No of Invoices (left axis), Percentage Paid (right axis), Quarter Year 2025 (x-axis)

- 2024 Avg: Total invoices 245, Undisputed paid 233, 95%
- Q1 25: Total invoices 256, Undisputed paid 237, 93%
- Q2 25: Total invoices 249, Undisputed paid 244, 98%

Legend:
- Total number of invoices received in the period
- Undisputed invoices paid within 30 days of receipt
- percentage paid within 30 days

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2. 2025 Business Plan

Q2 update

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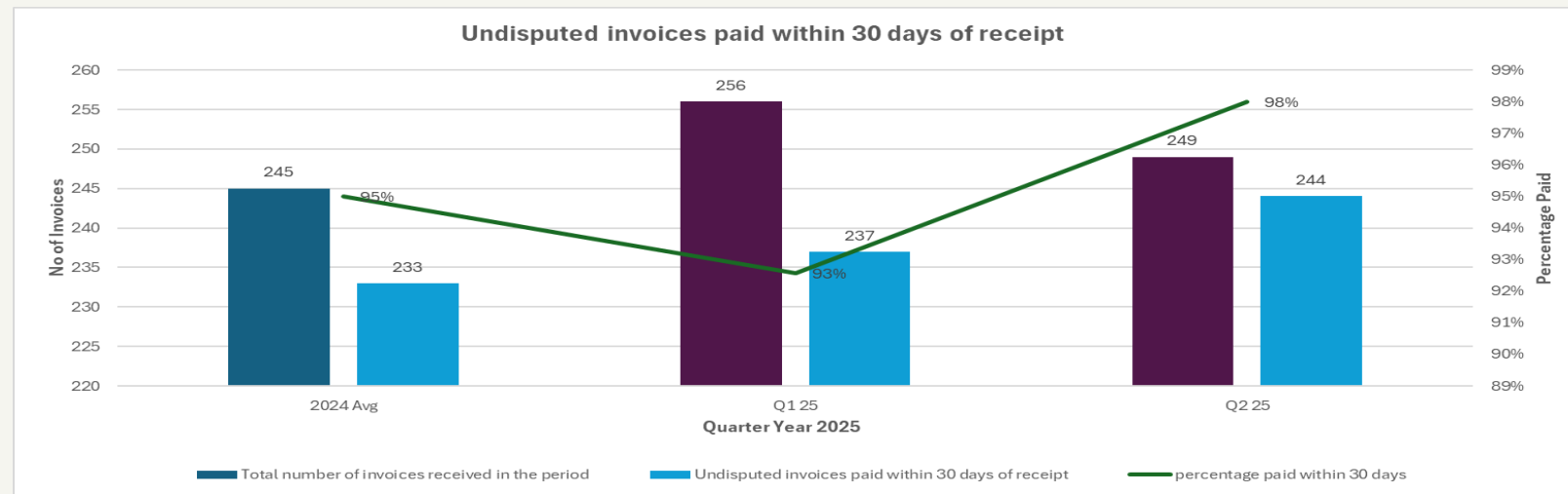
2025 Business Plan: Mid-year review

Total number of commitments: 48

Strategic Priority	Number of commitments	Green	Amber	Blue	Red
Continuous improvement	27	7	18	0	2
Modernising initial education and training	6	0	6	0	0
continuing professional development	4	0	3	0	1
Transformation Programme	6	0	1	0	5
People and culture	5	0	4	0	1
Totals	48	7	32	0	9

Business Plan Q2 update

We remain on track to deliver nearly all of our Business Plan commitments for 2025 by the end of the year. There are 7 commitments recorded as red (not started or unlikely to be delivered in 2025). Further detail below.

Transformation

- Six of the red scores relate to delays relating to or associated with the completion of our CRM development programme. The ITT has now been issued and we are confident that progress will be made in 2025 although delivery on a number of projects will move to Q1 of 2026.

- The delivery of a new case management system is will be an early priority for a new supplier and further development work will be a priority in Q4 of this year.

- Other transformation commitments, including the development of a longer-term technology an improvement strategy, are included in our invitation to tender (ITT) document and will be supported by the new provider.

Investing in our people

- We have not yet established a new EDI staff group however the topic was discussed at our last all staff day. A framework is expected to be in place by the end of the year.

The full Business Plan is available on ARB's website and, for Board Members, on the Resources section of

Diligent.

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Contents

- Executive Summary

- May Actuals by Department

- Full-Year Reforecast vs. Full-Year Budget by Department

- Possible Forecast Impacts

- Projected Cashflows 2025

- Forecast Operating Reserves to the end of 2025

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Executive Summary

This report provides an analysis of the May 2025 financial performance across departments, alongside a full-year reforecast compared to the original 2025 budget with detailed forecast information by Department.

Key Highlights:

<u>May 2025 Actuals</u>

Revenue Performance:

o 90% of the years reforecast revenue has now been collected.

Expenditure Performance:

o May Burn Rate: 42% of full year reforecast costs.
o Employee costs, which constitutes 45% of operating expenditure, are in line with the projected burn rate.
o All further cost categories are either on track or below budget due to timing factors.

Project Costs:

o As of the end of May, the only Project Invoices received related to the PPE commission.

<u>Full-Year Reforecast vs. Budget Analysis</u>

o Forecast operating revenue for the full year is projected to be down 4% against budget due to a decline in Registrations. This has increased favourably by 1% against the February reforecast predominantly due to higher than anticipated entry/re-entry to the Register in Q1. Income is down 5% overall due to negative movements in forecast investment income.

o Forecast operating expenditure is down 1% (£94k) against budget, with an additional £190k of costs being forecast since February.

o No changes have been forecast to Projects and One-Off costs.

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May Actuals by Department

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May Actuals YTD by Department

Budget Heading	May 2025 Actuals							TOTAL May 2025 Actuals	May 2025 Burn/Run Rate
	CEO Office	Corporate	Policy and Communications	Governance and International	Registration	Accreditation	Standards		
Operating Income	£0	£0	£0	£0	£0	£0	£0	£0	%
Annual Retention Fees	-	-	-	-	7,969	-	-	7,969	100%
Entry/re-entry to the register	-	-	-	-	418	-	-	418	74%
Prescribed Examination	-	-	-	-	139	-	-	139	47%
International Assessment	-	-	-	-	14	-	-	14	19%
Charges for Accreditation	-	-	-	-	-	25	-	25	4%
Government funding	-	-	-	15	-	-	-	15	100%
EU Certificates & Sundry Receipts	-	-	-	-	11	-	-	11	32%
Total Operating Income	-	-	-	15	8,551	25	-	8,591	90%
Income from investments and bank interest	-	117	-	-	-	-	-	117	50%
TOTAL INCOME	-	117	-	15	8,551	25	-	8,708	85%
Operating Expenditure									
Employee Costs	(135)	(568)	(154)	(176)	(291)	(146)	(333)	(1,808)	40%
Office & Administrative Expenses	-	(263)	(2)	(17)	-	-	(7)	(289)	28%
Policy development, Research and Comms	-	-	(1)	(2)	-	-	-	(3)	7%
Board and Committee Expenses	-	-	-	(67)	-	-	-	(67)	22%
Professional Services & Legal Advice	(19)	(21)	(23)	(4)	-	-	-	(67)	11%
Prof. Conduct, Title Misuse and Regulation	-	-	-	-	-	-	(415)	(415))	33%
Associate Costs Excl. Board	-	-	-	(8)	(82)	(52)	(43)	(185)	27%
IT & Digital	-	-633	-27	-	-	-	-	-660	38%
Total Operating Expenditure	(154)	(1,485)	(207)	(274)	(373)	(198)	(798)	(3,494)	34%
Operating Surplus/(Deficit)	(154)	(1,368)	(207)	(259)	8,178	(173)	(798)	5,214	
Total Project Costs	-	-	(5)	-	-	-	-	-	
Total Operating Surplus/(Deficit)	(154)	(1,368)	(212)	(259)	8,178	(173)	(798)	5,214	

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Full-Year Reforecast vs. Total Full-Year Budget

Full-Year Reforecast vs. Total Full-Year Budget - Summary

Budget Heading	Full Year Reforecast 2025							2025 REFORECAST TOTAL	2025 Budget	Variances
	CEO Office	Corporate	Policy and Communications	Governance and International	Registration	Accreditation	Standards			
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Total Operating Income	-	-	-	15	8,938	569	-	9,522	9,942	(420)
Total Income	-	142	-	15	8,938	569	-	9,664	10,122	(458)
Total Operating Expenditure	(531)	(3,720)	(583)	(968)	(1,423)	(763)	(2,213)	(10, 202)	(10,093)	(109)
Operating Surplus/(Deficit)	(531)	(3,578)	(583)	(953)	7,515	(194)	(2,213)	(538)	29	(567)
Total Project Costs	-	-	-	-	-	-	-	-	-	-
Total Operating Surplus/(Deficit)	(531)	(3,578)	(583)	(953)	7,515	(194)	(2,213)	(538)	29	(567)

- The projected full year position has been reforecast to £538k. This represents a variance against the full year budget of £552k (5%).
- The prevailing factors behind the deficit are:
  - Lower than budgeted Registrants at the start of the year (38,900 actuals vs 40,785 budgeted);
  - One off Restructuring costs in 2025;
  - Increased in Employer NI which came into effect post budget approval;
  - Increased Associate costs based on updated modelling assumptions and agreed increases from June 2025;
  - Rising legal costs due to new contract models and increases in cases both in volume and complexity.

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Full-Year Reforecast vs. Total Full-Year Budget - Income

Budget Heading	Full Year Reforecast 2025							2025 REFORECAST TOTAL	2025 Budget	Variances
	CEO Office	Corporate	Policy and Communications	Governance and International	Registration	Accreditation	Standards			
Operating Income	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Annual Retention Fees	-	-	-	-	7,975	-	-	**7,975**	8,361	(386)
Entry/re-entry to the Register	-	-	-	-	563	-	-	**563**	556	7
Prescribed Examination	-	-	-	-	293	-	-	**293**	293	-
International Assessment	-	-	-	-	74	-	-	**74**	148	(74)
Charges for Accreditation	-	-	-	-	-	569	-	**569**	551	18
Government Funding	-	-	-	15	-	-	-	**15**	-	15
EU Certificates & Sundry Receipts	-	-	-	-	34	-	-	**34**	34	-
Total Operating Income	**-**	**-**	**-**	**15**	**8,938**	**569**	**-**	**9,522**	**9,942**	**(420)**
Income from investments and bank interest	-	142	-	-	-	-	-	**142**	180	(38)
TOTAL INCOME	**-**	**142**	**-**	**15**	**8,938**	**569**	**-**	**9,664**	**10,122**	**(458)**

- Annual Retention Fees (Existing Registrants) – Final number of Registrants at year end was 38,900 – 1,900 lower than budgeted resulting in downside for Retention fees of £386k.
- Numbers for Entry/Re-Entry to the Register – this line performed above budget for Q1 2025 is now forecast overall to come in at budget for the full year. This is an increase of £91k against the previous forecast figure of £472k.
- International Assessment – revised downward against the budget to account for the lower-than-anticipated pipeline from the US for assessments. No movement from previous reforecast.
- Charges for Accreditation – these are slightly higher than budgeted due to new applications for Accreditation received in early 2025. Minor increase from the previous forecast.
- Government Funding – this has been applied for to cover the cost of the Team's trip to New York in May 2025. This has been slightly revised down from previous the forecast due to lower than anticipated costs for the trip.
- Investment income has been reforecast based on the most up to date information provided by Rathbones resulting in a decrease of £38k against budget.

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Full-Year Reforecast vs. Total Full-Year Budget – Operating Costs

Budget Heading	Full Year Reforecast 2025							2025 REFORECAST TOTAL	2025 Budget	Variances
	CEO Office	Corporate	Policy and Communications	Governance and International	Registration	Accreditation	Standards			
Operating Expenditure	**£000**	**£000**	**£000**	**£000**	-	**£000**	**£000**	**£000**	**£000**	**£000**
Employee Costs	(356)	(974)	(457)	(388)	(844)	(593)	(918)	**(4,530)**	**(4,660)**	131
Office & Administrative Expenses	-	(922)	-	(51)	(52)	-	-	**(1,024)**	**(1,023)**	(1)
Policy Development, Research and Comms	-	-	(43)	-	-	-	-	**(43)**	**(57)**	14
Board and Committee Expenses	-	-	-	(313)	-	-	-	**(313)**	**(268)**	(44)
Professional Services & Legal Advice	(175)	(175)	(15)	(187)	(10)	(10)	(20)	**(592)**	**(581)**	(11)
Prof. Conduct, Title Misuse and Regulation	-	-	-	-	-	-	(1,275)	**(1,275)**	**(1,137)**	(138)
Associate Costs Excl. Board	-	-	-	-	(517)	(161)	-	**(678)**	**(615)**	(62)
IT & Digital	-	(1,650)	(68)	(30)	-	-	-	**(1,748)**	**(1,751)**	3
Total Operating Expenditure	**(531)**	**(3,720)**	**(583)**	**(968)**	**(1,423)**	**(763)**	**(2,213)**	**(10,202)**	**(10,093)**	**(109)**

- Operating Costs have increased £175k since the February reforecast and our currently predicted to be 1% higher than budget.
- Employee, Office & Admin, Policy Development, Professional Services & Legal Advice and IT & Digital have not changed since the previous forecast.
- Board and Committee Expenses have increased by £15k.
- Associate Costs have increased by £47k as result of a remodelling of costs based on updated assumptions for CPD and Examinations.
- Prof. Conduct, Title Misuse and Regulation costs have been increased by £134k. This is due to changing contracts with our legal services providers, moving to a variable fee model. This is further impacted by our case load which has increased in both volume and complexity.

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Full-Year Reforecast vs. Total Full-Year Budget – Project Costs

Budget Heading	Full Year Reforecast 2025							2025 REFORECAST TOTAL	2025 Budget	Variances
	CEO Office	Corporate	Policy and Communications	Governance and International	Registration	Accreditation	Standards			
Project Costs	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
PPE Commission	-	-	(30)	-	-	-	-	**30**	30	-
International Routes Review	-	-	(15)	-	-	-	-	**15**	15	-
Equality, Diversity and Inclusion	-	-	(10)	-	-	-	-	**10**	10	-
High profile PCC case	-	-	-	-	-	-	(69)	**69**	69	-
IT Transformation	-	-	-	-	-	-	-	**-**	-	-
Legacy systems decommissioning	-	(210)	-	-	-	-	-	**210**	210	-
Windows 11 and laptop replacement	-	(140)	-	-	-	-	-	**140**	140	-
Education access evaluation	-	-	(50)	-	-	-	-	**50**	50	-
New PPE recording work	-	-	(20)	-	-	-	-	**20**	20	-
Use of Reserves	-	350	25	-	-	-	69	**(444)**	(444)	-
2024 Carried Forward Expenditure	-	-	100	-	-	-	-	**(100)**	(100)	-
Total Project Costs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

- All costs for Projects are being held in line with Budget; this is due to assumptions made at the time of budgeting not having changed, plus there is no new information to suggest potential, significant deviations from the budgeted amounts for each project.

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Possible Forecast Impacts

- Listed below are potential items which could impact the forecast outturn further but have not been included in the reforecast as they pending confirmation or remain uncertain at this point. These are shown below along with the projected costings

	Amount £000	Impact on Forecast £000
Current forecast Deficit		**538**
Increased legal fees for high profile case	100	638
Delays to one-off IT projects*	(175)	463

*delays to the planned one-off IT projects (Legacy systems decommissioning and Windows 11 and laptop replacement roll out) would push £175k of costs into 2026 .

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Projected Cashflows 2025

The projected cashflow model indicates that the cash position will drop to £1.4m at the end of Q3. It will then return to £5.6m by the end of Q4, following the collection of the annual retention fee.

The model assumes the following:

- remaining operating income and expenditure for the year will be received/spent evenly over the year.

- the majority of one off and project costs(£500k) will be incurred in Q4.

- 2026 Annual retention fees collected during Q4 is £7m.

Cash Position

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Forecast Operating Reserves to the end of 2025

	Movement £000	Reserves Position £000	# of Months Operating Reserves
Opening Position 01/01/2025		**7,715**	**9.09**
Operating Deficit 2025	(538)	7,177	8.46
Use of Reserves - to cover BP and one-off costs (One off projects)	(444)	6,733	7.93
2024 Carried Forward Expenditure costs (One off projects)	(175)	6,558	7.73
Closing Position 31/12/2025		**6,558**	**7.73**

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