Board Paper

for Open session

Subject: **Performance Monitoring Update**

To receive an update on the performance data for Q2 of 2026.

Architects Registration Board

Board meeting:

22 July 2026

Agenda item:

12

Action:

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

Purpose

To provide the Board with an overview of operational performance for Q2 of 2026.

Recommendations

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

Annexes

Annexe A: Q1 Performance Monitoring Report
Annexe B: Management Accounts Q2 YTD (May) 2026
Annex C: 2026 Mid-year Business Plan Scorecard

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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 Q2 2026 KPI Dashboard, reporting performance to the end of Q2 2026 against the three strategic themes of the Corporate Strategy 2026-30. At the close of the quarter the Register stood at 39,753 architects and with most reported indicators on track. A small number are flagged for monitoring, principally the prescribed examination pass rates, the age profile of the professional standards caseload, and the growth in open title cases. A further four indicators remain under development and are not yet reported.

Strengthening education and training

2.2 ARB Assessments: Pass rates for both parts of the prescribed examination fell below the 60% limit this quarter, with Part 1 at 45% (9 of 20) and Part 2 at 52% (11 of 21), against full-year 2025 results of 67% and 65% respectively. Candidates have been advised that Part 1 will cease, which is expected to prompt a higher volume of re-takes by those previously unsuccessful; the position is being monitored closely. The UK Adaptation Assessment recorded a 100% pass rate, albeit on small numbers.

2.3 Provider qualifications: Three new-style qualifications were approved in the period (two integrated master's and one standalone), with a further 26 in progress, and no accreditation rejections or removals were made. Two of the 67 providers currently carry a cause for concern and are being monitored. Transition submissions are unchanged since the last report; the Board is due to agree the final Practice Outcomes matters on 22 July 2026, and all 29 current Part 3 providers have confirmed their intention to continue.

Upholding confidence and trust

2.4 Registration: New joins to the register, year to date, were 759 to the end of Q2 and remain on target. UK-qualified architects remain the largest entry route at 77% of joins (80.6% for full-year 2025), with EU joins continuing to fall to 8.0% (9.9% for full-year 2025); the remainder join via the examination (6.8%) and mutual recognition (7.1%) routes. Processing performance is well within target, with 98% of first-time joiner applications completed within the 15-day service standard. There have been no registration appeals in the last 18 months.

2.5 CPD removals: Removals for the 2026 CPD cycle total 355, representing 0.9% of the Register, of which 44 (12%) have since returned. This is the final removal data for the 2026 cycle.

2.6 Professional standards: The total caseload of 124 remains within the 150-case limit. The proportion of cases within the 15-month age target stands at 78%, marginally below the 80% threshold, and is flagged for monitoring. Two service complaints were received in the period, neither of which was upheld, with no improvement or systemic issues identified.

2.7 Title cases: A total of 135 title cases were open at the end of the quarter, an increase of 40 on Q1 2026. Of these, 94 involve multiple issues of misuse and are subject to full investigation, 34 concern minor misuse and are being addressed through cease and desist action, and 7 have been assessed as involving no misuse and are due to close. The increase in open cases is being kept under review.

Delivering modern, effective and efficient regulation

2.8 Finance: The budget remains on track, with a year-to-date variance of 0% against the 5% tolerance, and reserves projected to close the year at 7.4 months, well above the six-month target. Further detail is provided in the Financial Update below.

2.9 Information technology: Register availability was maintained at 100% against a 99.5% target, with no instances of non-availability recorded. There were no complaints to the Information Commissioner's Office and no whistleblowing reports in the period, either of which would trigger escalation.

2.10 People: Staff turnover stands at 12.5% against an establishment of 64. Sickness absence averaged 1.9 days per employee on a rolling four-quarter basis (1.5 days excluding one long-term case). The most recent staff engagement score, an annual composite measure, was 92% against an 80% target.

Financial Update

2.11 Attached at Annex A are the Q2 2026 management accounts, covering the year-to-date position to the end of May 2026, together with the June 2026 reforecast. The Q2 YTD position shows a surplus of £5,956k, against a budgeted year-to-date surplus of £5,213k. 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 £8.1m as of 29 June 2026, with cash balances of approximately £4.6m at the same date.

Q2 Year-to-Date (YTD) Actuals

2.12 Revenue Performance:

- Total operating income of £9,332k is £207k (2%) ahead of the YTD budget of £9,125k. Annual retention fees of £8,724k have been collected, £89k above the full-year budget of £8,635k.
- Registration income continues to perform strongly, driven by a high volume of registrants rejoining the register following removal for non-compliance with CPD requirements (310 new joiners and 867 rejoiners in the period). Accreditation income is expected predominantly in Q4 following annual invoicing in August.
- Investment and bank interest income of £93k represents 50% of the full-year budget of £185k, although this has not yet been adjusted for tax.

2.13 Expenditure Performance:

- Operating expenditure of £3,469k represents 37% of the full-year budget of £10,318k, tracking approximately 5% behind a straight-line burn rate of 42%. The underspend is largely a matter of timing, and variances continue to be monitored to ensure costs are neither missed nor likely to fall short of the full-year budget.
- Employee costs (£1,778k) are at 93% of the YTD budget. Associate costs (£271k) are tracking at 32% of the YTD budget, reflecting the phasing of hearing and examination activity.

2.14 Project Costs:

- No project expenditure has been incurred in the year to date against the full-year project budget of £350k (legacy systems decommissioning £210k and Windows 11 and laptop replacement £140k). Expenditure on the laptop replacement project will begin to be recognised from August 2026, when delivery of the new machines is taken.

<u>Full Year Forecast</u>

2.15 There is no change to the 2026 operating budget. However, the legacy systems decommissioning project (£210k) has been removed from the 2026 forecast: owing to the timing of the CRM development work, this project will now need to be undertaken in 2027. As a result, the reforecast full-year position is an operating surplus of £71k (unchanged) and a full-year deficit of (£69k), an improvement on the budgeted full-year deficit of (£279k).

2026 Business plan update

2.16 Attached at Annex C is the business plan scorecard. Delivery of the 2026 Business Plan is progressing well, with 26 out of 27of planned activities on track for delivery within the year. No items are currently rated red, and there are no delivery risks that threaten the overall achievement of the plan's strategic objectives for 2026.

2.17 Two matters are drawn to the Board's attention for completeness.

2.18 Two activities are rated amber based on the tracker's amber definition ("Started / On track to be delivered in 2026") are planned for completion in 2027. Their timing for delivery, across 2026/2027, was anticipated and both remain on track against their intended timelines.

2.19 One activity, the development of a data mechanism providing a single, comprehensive source of data to track all mutual recognition agreement related data and identify themes and trends, will now fall into 2027. This is a consequence of dependencies on the CRM development, which is the intended platform for the data mechanism and has been subject to delay. The rescheduling is driven by that dependency rather than by any change in the priority or scope of the activity, and delivery will be picked up once the underlying CRM capability is in place.

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, particularly in relation to the headline metrics remains relatively stable with particularly positive data in relation to financial performance and people data.

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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.

Architects
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ARB KPI Dashboard Q2 2026

Q2 2026 at a glance

REGISTER SIZE

39,753

End Q2 2026

BUDGET VARIANCE

0%

Within +/-5% target

TITLE CASES UNDER INVESTIGATION

94	34	7	0

Red - 94 - Multiple issues of misuse; full investigation
Amber - 34 - Minor misuse of title; cease and desist
Green - 7 - No misuse identified; to close
New - 0

135 total open cases – increase of 40 from Q1 2026

ISSUES

0

4 further KPIs under review

Architects Registration Board

1 Strengthening education and training

45% MONITOR
Prescribed exam Part 1
9/20 pass • FYE 2025: 67%
<60% 60-80% >80%

52% MONITOR
Prescribed exam Part 2
11/21 pass • FYE 2025: 65%
<60% 60-80% >80%

100% ON TRACK
UKAA
7/7 pass • FYE 2025: 67%
<60% 60-80% >100%

—
Transition submissions
Awaiting Board decision (22 Jul).
29 P3 providers plan to continue.

3/29 ON TRACK
New style qualifications
2 integrated masters + 1 standalone
26 in progress currently

2 MONITOR
Causes for concern
out of 67 providers

0 ON TRACK
Accreditation rejections
no rejections or removals

ARB Assessments

- Prescribed exam pass rates fell below the 60% floor this quarter. Part 1 at 45% (9/20), Part 2 at 52% (11/21). Candidates advised Part 1 will cease, prompting more re-takes of prior failures; monitored closely. UKAA 100% (7/7), small numbers. 3 new qualifications approved; 26 in progress.

Provider qualifications

- Transition submissions unchanged since the last report. The Board is due to agree the final Practice Outcomes issues on 22 July 2026. All 29 current P3 providers have confirmed their intent to continue.

2 Upholding confidence and trust

759 — ON TRACK
Total joiners
2026 new joins to Register

UK 77% — ON TRACK
Joins by route
EU 8.0% • Exam 6.8% • MRA 7.1%
FYE 2025: UK 80.6% • EU 9.9%

355 — ON TRACK
CPD removals
0.9% of register • 44 returned
Final 2026 CPD removal data

78% — MONITOR
Prof Standards Caseload age
limit: 80% <15 months
<60% 60-80% >80%

124 — ON TRACK
Prof Standards Caseload size
limit: 150 cases
0 150 200

2 — ON TRACK
Service complaints
a. upheld: 0 b. not upheld: 2
c. improvement: 0 d. systemic: 0

0 — ON TRACK
Registration appeals
none in last 18 months

Registration and complaints

- Joins remain on target. UK-qualified architects are the largest route at 77% of joins (81% FYE 2025), with EU joins continuing to fall. Processing is well within KPIs with 98% of first-time joiner applications completed within the 15-day KPI.
- No registration appeals in 18 months.
- CPD removals for the 2026 cycle total 355 (0.9% of the register); 44 (12%) have since returned. Final 2026 removal data.

Professional Standards

- Caseload age at 78% remains just below the 80% target: flagged to monitor. Total caseload (124) within the 150 limit.

3 Delivering modern, effective and efficient regulation

8.4m ON TRACK
Reserves
Dec 2025: 8.4m • Projected: 7.4m
target: 6 months operating income

0% ON TRACK
Budget variance
target: within +/-5%
-5% +/-5% +5%

100% ON TRACK
Register availability
0% downtime • target: 99.5%
95% 99% >99.5%

12.5% ON TRACK
Staff turnover
establishment: 64
0% 20% 25%

1.9 ON TRACK
Absence (days/employee)
rolling avg Q3 2025 – Q2 2026
Q2: 2.4 • Q1: 1.9 • Q4: 1.5 • Q3: 1.8

0 ON TRACK
ICO complaints
any = escalation

0 ON TRACK
Whistleblowing
any = escalation

92% ON TRACK
Staff Engagement score
Target = 80%

Finance
- Budget on track at 0% variance.
- Reserves at 8.4 months (projected 7.4 months closing), above the 6-month target; strongest in Q1 following retention fee collection.

Information technology and information systems
- Register availability at 100%; no instances of non-availability.
- No ICO complaints or whistleblowing.

People
- Sickness absence 1.9 days/employee rolling average (1.5 excluding one long-term sickness case).
- Staff turnover 12.5%.
- Staff engagement (an annual composite measure) is 92%

Architects Registration Board: Q2 YTD 2026 Management Accounts

29/06/2026

Contents

- Executive Summary
- Q2 YTD Actuals vs. Q2 YTD Budget
- 2026 Full Year outturn vs 2026 Budget

Architects Registration Board

Executive Summary

This report presents the Q2 YTD (to the end of May) 2026 financial outturn across departments, compared to the 2026 YTD budget.

Key Highlights:

Q2 YTD Actuals vs. Q2 YTD Budget Analysis

- Operating revenue of £9,332k reflects the front-loaded nature of annual retention fee income (£8,724k collected in predominantly in Q4 2025).
- Operating expenditure of £3,469k represents 37% of the full-year budget of £10,318k, tracking 5% behind a straight line burn rate of 42%.
- Investment and bank interest income of £93k represents 50% of the full-year budget of £185k though this has not been adjusted for tax.
- No project expenditure has been incurred in Q1 against the full-year project budget of £350k for legacy systems decommissioning (£210k) and Windows 11 replacement (£140k).
- The Q2 YTD position shows a surplus of £5,956k, driven by the seasonal pattern of retention fee income received in Q1.
- Investments totalled c.£8.1 m on 29/06/2026. Cash balances at the same date were c.£4.6m

Reforecast

- There has been no change against the 2026 operating budget; legacy system decommissioning has now been removed from the forecast due to timing of CRM work this project will now need to be undertaken in 2027. The budgeted cost of the project (£210k) means the projected full year outrun remains an operating surplus of £71k and a full year deficit of (£69k) vs a budgeted full year deficit of (£279k).

Q2 YTD Actuals vs. Q2 YTD Budget

Q2 YTD Actuals vs. Q2 YTD Budget - Summary

	Q2 YTD Actuals 2026									
Budget Heading	CEO Office	P&P	Policy and Communications	Governance and International	Registration	Accreditation	Standards	Actuals TOTAL	Budget	Variances
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Total Operating Income	-	-	-	18	9,263	51	-	9,332	9,125	207
Total Income	-	93	-	18	9,263	51	-	9,425	9,203	222
Total Operating Expenditure	(291)	(1,147)	(241)	(319)	(423)	(229)	(819)	(3,469)	(3,990)	523
Operating Surplus/(Deficit)	(291)	(1,147)	(241)	(319)	8,840	(229)	(819)	5,956	5,213	745
Total Project Costs	-	-	-	-	-	-	-	-	-	-
Total Operating Surplus/(Deficit)	(291)	(1,147)	(241)	(319)	8,840	(229)	(819)	5,956	5,213	745

The Q2 YTD position shows a surplus of £5,956k against a budgeted surplus of £5,213k. This is due to timing differences between the phasing of the budgeting and timing of incursion of expenditure.

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Q1 Actuals vs. Full-Year Budget - Income

	Q2 YTD Actuals 2026										
Budget Heading	**CEO Office**	**P&P**	**Policy and Communications**	**Governance and International**	**Registration**	**Accreditation**	**Standards**	**Actuals TOTAL**	**Budget**	**Variances**	**Run Rate**
Operating Income	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**%**
Annual Retention Fees	-	-	-	-	8,724	-	-	**8,724**	**8,635**	89	101%
Entry to the register	-	-	-	-	225	-	-	**225**	**115**	110	196%
Re-entry to the register	-	-	-	-	281	-	-	**281**	**149**	132	189%
Penalties on reinstatement	-	-	-	-	15	-	-	**15**	**51**	-36	29%
Prescribed Examination	-	-	-	-	10	-	-	**10**	**98**	-88	10%
International Assessment	-	-	-	-	2	-	-	**2**	**18**	-16	11%
Charges for accreditation	-	-	-	-	-	51	-	**51**	**45**	6	113%
Government funding	-	-	-	18	-	-	-	**18**	**0**	18	100%
EU Certificates & Sundry Receipts	-	-	-	-	6	-	-	**6**	**14**	-8	43%
Total Operating Income	**-**	**-**	**-**	**18**	**9,263**	**51**	**-**	**9,332**	**9,125**	**207**	**102%**
Income from investments and bank interest	-	93	-	-	-	-	-	**93**	**77**	16	121%
TOTAL INCOME	**-**	**93**	**-**	**18**	**9,263**	**51**	**-**	**9,425**	**9,202**	**222**	**102%**

- Registration income continues to perform well due to large numbers of registrants rejoining the register after removal for non-compliance with CPD requirements.
- The bulk of accreditation income will not be received until Q4, after invoicing is done in September for annual accreditation fees.
- New joiners in the period: 310
- Rejoiners: 867

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Q2 YTD Actuals vs. Q2 YTD Budget - Operating Costs

	Q2 YTD Actuals 2026										
Budget Heading	CEO Office	P&P	Policy and Communications	Governance and International	Registration	Accreditation	Standards	Actuals TOTAL	Budget	Variances	Burn Rate
Operating Expenditure	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	%
Employee Costs	(276)	(274)	(183)	(165)	(299)	(207)	(374)	**(1,778)**	**(1,914)**	136	93%
Office & Administrative Expenses	(3)	(253)	(40)	(44)	(25)	-	-	**(365)**	**(456)**	91	80%
Policy Development, Research and Comms	-	-	(3)	-	-	-	-	**(3)**	**-**	(3)	-
Board and Committee Expenses	-	-	-	(74)	-	-	-	**(74)**	**(89)**	15	83%
Professional Services & Legal Advice	(11)	(22)	(6)	(22)	-	-	(69)	**(131)**	**(171)**	40	77%
Prof. Conduct, Title Misuse and Regulation	-	-	-	-	-	-	(218)	**(218)**	**(265)**	47	82%
Associate Costs Excl. Board	-	-	-	-	(91)	(23)	(157)	**(271)**	**(378)**	107	32%
IT & Digital	-	(597)	(9)	(14)	(7)	-	-	**(627)**	**(717)**	90	87%
Total Operating Expenditure	**(291)**	**(1,146)**	**(241)**	**(319)**	**(422)**	**(230)**	**(818)**	**(3,467)**	**(3,990)**	**523**	**91%**

Total Q2 YTD expenditure across all expense lines is tracking behind budgeted expenditure to the same point in the year. This is largely due to timing, and we continue to monitor these variances to ensure costs are not missed or likely to fall short of full year budget.

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Q2 YTD Actuals vs. Q2 YTD Budget - Project Costs

	Q2 YTD Actuals 2026										
Budget Heading	**CEO Office**	**P&P**	**Policy and Communications**	**Governance and International**	**Registration**	**Accreditation**	**Standards**	**Actuals TOTAL**	**Budget**	**Variances**	**Burn Rate**
Project Costs	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**%**
Legacy systems decommissioning	-	-	-	-	-	-	-	**-**	**210**	210	0%
Windows 11 and laptop replacement	-	-	-	-	-	-	-	**-**	**140**	140	0%
Total Project Costs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(350)**	**350**	

- No project expenditure has been incurred in Q1. Expenditure for the laptop replacement project will begin to be recognised in August 2026, when we take delivery of the new machines.

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June 2026 reforecast vs Budget 2026 – Overview

Budget Heading	CEO Office	Performance & Planning	Policy & Communications	Governance & International	Registration	Accreditation	Standards	June 2026 reforecast	Budget 2026	Variances
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Total Operating Income	-	-	-	-	9,546	658	-	10,204	10,204	-
Total Income	-	185	-	-	9,546	658	-	10,389	10,389	-
Operating Expenditure										
Total Operating Expenditure	(804)	(3,395)	(776)	(1,010)	(1,131)	(793)	(2,410)	(10,318)	(10,318)	-
Operating Surplus/(Deficit)	(804)	(3,210)	(776)	(1,010)	8,416	(135)	(2,410)	71	71	-
Total Project Costs	-	(140)	-	-	-	-	-	(140)	(350)	210
Total Surplus/(Deficit)	(804)	(3,350)	(776)	(1,010)	8,416	(135)	(2,410)	(69)	(279)	210

Architects Registration Board

June 2026 reforecast vs Budget 2026 – Income

Budget Heading	CEO Office	Performance & Planning	Policy & Communications	Governance & International	Registration	Accreditation	Standards	June 2026 reforecast	Budget 2026	Variances
Operating Income										
Annual Retention Fees	-	-	-	-	8,635	-	-	**8,635**	**8,635**	-
Entry/re-entry to the register	-	-	-	-	599	-	-	**599**	**599**	-
Prescribed Examination	-	-	-	-	234	-	-	**234**	**234**	-
International Assessment	-	-	-	-	44	-	-	**44**	**44**	-
Charges for accreditation	-	-	-	-	-	658	-	**658**	**658**	-
Government funding	-	-	-	-	-	-	-	**-**	**-**	-
EU Certificates & Sundry Receipts	-	-	-	-	34	-	-	**34**	**34**	-
Total Operating Income	**-**	**-**	**-**	**-**	**9,701**	**658**	**-**	**10,204**	**10,204**	**-**
Income from investments and bank interest		185	-	-	-	-	-	**185**	**185**	-
TOTAL INCOME	**-**	**185**	**-**	**-**	**9,701**	**658**	**-**	**10,389**	**10,389**	**-**

June 2026 reforecast vs Budget 2026– Expenditure

Budget Heading	CEO Office	Performance & Planning	Policy & Communications	Governance & International	Registration	Accreditation	Standards	June 2026 reforecast	Budget 2026	Variances
Operating Expenditure										
Employee Costs	629	651	485	412	762	634	1,022	**4,595**	**4,595**	-
Office & Administrative Expenses	-	972	-	104	20	-	-	**1,095**	**1,095**	-
Policy development, research and communications	-	-	208	-	-	-	-	**208**	**208**	-
Board and Committee Expenses	-	-	-	250	-	-	-	**250**	**250**	-
Professional Services & Legal Advice	175	175	15	191	10	10	-	**576**	**576**	-
Professional Conduct, Title Misuse and Regulation	-	-	-	-	-	-	705	**705**	**705**	-
Associate Costs Excl. Board	-	-	-	-	338	149	683	**1,170**	**1,170**	-
IT & Digital	-	1,598	68	54	-	-	-	**1,825**	**1,825**	-
Total Operating Expenditure	**804**	**3,395**	**776**	**1,010**	**1,131**	**793**	**2,410**	**10,318**	**10,318**	-

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June 2026 reforecast vs Budget 2026– One off & project costs

Budget Heading	CEO Office	Performance & Planning	Policy & Communications	Governance & International	Registration	Accreditation	Standards	June 2026 reforecast	Budget 2026	Variances
One off & project costs	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Legacy systems decommissioning	-	-	-	-	-	-	-	**-**	**210**	**210**
Windows 11 and laptop replacement roll out	-	140	-	-	-	-	-	**140**	**140**	**-**
Total One off & project costs	**-**	**140**	**-**	**-**	**-**	**-**	**-**	**140**	**350**	**210**

Architects Registration Board

2026 Business Plan: Mid-year review

Annotations
GREEN: Complete and can be reported as successfully delivered
AMBER: Started/On track to be delivered in 2026*
BLUE: Some activity has been identified to fall in to 2027
RED: Not Started/Not on track to be delivered in 2026

Strategic Priority	Number of commitments	Green	Amber	Blue	Red
Strengthening the education and training of future professionals	7	1	6	0	0
Upholding confidence and trust in the profession	9	0	9	0	0
Delivering modern, efficient and effective regulation	11	0	10	1	0
Totals	**27**	**1**	**25**	**1**	**0**

Two activities are rated amber based on the tracker's amber definition are planned for completion in 2027. Their timing for delivery, across 2026/2027, was anticipated and both remain on track against their intended timelines

Architects Registration Board