

# Board Meeting

## Minutes of Board Meeting held on 7 December 2022

Chair Approved

Location	Present	In Attendance
Video Conference	Alan Kershaw (Chair) Mark Bottomley Emeritus Professor ADH Crook Derek Bray Will Freeman Professor Elena Marco Dr Teri Okoro Liz Male Stephen McCusker	Hugh Simpson (CEO & Registrar) Emma Matthews Simon Howard Brian James Rebecca Roberts-Hughes Marc Stoner Hayley Tucker (Minutes) Mandy Kaur (Minutes) Stephanie Griffiths (DLUHC, Observer) Jolyon Daw (DLUHC, Observer) Jodie James

### OPEN SESSION

#### 1. Apologies for Absence

The Chair welcomed everyone to the Board meeting. Apologies were received from Cindy Leslie for the Open Session. Ms Leslie had however provided comments on the Board papers prior to the meeting. These would be addressed on the relevant agenda item or by response of an email following the meeting. Stephen McCusker joined the meeting from agenda item 2.

The Chair welcomed Stephanie Griffiths and Jolyon Daw from the Department of Levelling Up, Housing and Communities (DLUHC) and invited both observers to introduce themselves to the Board. Mrs Griffiths joined the meeting for the open session and Mr Daw observed the whole of the Board meeting.

ARB staff members were encouraged to join the Board meetings at the appropriate times for the relevant agenda items.

#### 2. Members' Interests

The Chair confirmed that all Board members had been asked to declare any conflicts of interest in any of the agenda items, in advance of the meeting.

Mark Bottomley would declare an interest in agenda item 7 and withdraw from the meeting for that item.

## STANDING ITEMS:

### 3. Update from the Chair

The Chair advised that the membership of the non-statutory committees would be considered in early 2023 once the new financially qualified lay Board member had been appointed. Membership would be discussed individually with Board Members. The Chair noted that it was not necessary to make any changes to the Prescription Committee as the committee would soon be coming to an end.

This was the third calendar year that the Board had carried a vacancy. The recommendation regarding the current Board Member vacancy was with the Minister for decision.

The Chair reported that he would review whether there was a continued need for the portfolio arrangement whereby each Board Member was allocated a particular regulatory portfolio with ARB. He noted that the context had changed significantly from when the concept had first been introduced at ARB and now there was significant Board Member involvement in committees and in various assurance groups.

The Director of Governance & International and the Chair were due to attend the launch of the Board Apprenticeship Programme on Friday 9 December. This was a new government scheme for individuals who had had aspirations to become a Board Member or had missed out on previous opportunities to become one. It was confirmed that the Board would take on a new Apprentice Board Member, who would attend Board meetings, meetings at the DLUHC and undertake necessary training. The Apprentice Board Member would be bound to confidentiality and would be invited to participate in all areas of the Board's work. All Board members would be encouraged to engage with the Apprentice Member.

It was confirmed that this was a different programme to the previous Cabinet Office scheme, which no longer ran. The Board Apprenticeship Programme was a more structured and comprehensive programme. The Chair explained that the public appointments process was challenging and was difficult for candidates from less well represented groups, however the experience would provide candidates with the opportunity to build confidence in a Board environment.

Board Members agreed that this was a positive initiative and signing up to it strongly supported ARB's commitment to inclusion.

The Chair confirmed that all Board Member annual reviews had been completed and an overview would be provided in the New Year. The Chair's annual review was scheduled to take place in February 2023, and Helen Gordon, the Chair's independent external reviewer, would be observing the Board meeting that month.

#### **4. Minutes**

The Board approved the open session minutes of the meeting held on 19 October 2022 subject to a minor amendment to the text on page 9, where it was agreed that 'or above' should be deleted from the third line from the foot of the page. It was also agreed that a consistent approach would be applied, and all comments made by Board Members would be anonymised when recorded within the minutes.

#### **5. Matters Arising Report**

The Director of Governance & International confirmed that the Registrar's delegation process had been due to be considered by the end of November. It was now scheduled to be considered at the Senior Leadership Group meeting on Thursday, 8 December.

A Board Member enquired about whether information on the annual report and communications report should be considered within the matters arising document as this would be useful information. The Director of Governance & International explained that there had been an alternative process for capturing action points from the previous meeting which had been considered and would likely capture these reports in future.

### **MATTERS FOR DECISION**

#### **6. Revised Terms of Reference for the Audit and Risk Assurance Committee and People Committee**

The Chief Executive & Registrar explained that the review of the Terms of Reference was part of a cycle of continuous review and improvement of our governance documents and processes. The Executive recognised that finding available time was proving challenging at Board meetings, and a concern that too much business was coming to the Board which could be better dealt with by Committees. There were also concerns that the current Terms of Reference could be clearer and more effective. It was important to ensure an appropriate division of responsibilities between the Board and Committees avoiding duplication wherever possible.

A Board Member highlighted a degree of inconsistency in the mechanics of the committees and felt that committees should meet at least four times in a year, rather than 'up to four times a year'. This would provide flexibility for further meetings where these were deemed to be necessary. It was also suggested that the Committee should have the flexibility to meet with either the internal auditors and/or the external auditors in private. It was agreed that minor adjustments should be made to the Terms of Reference to accommodate these elements.

A Board Member raised the question whether it would be good practice for the auditors to be appointed by the Board rather than the Audit & Risk Assurance Committee. The Chief Executive & Registrar reminded Members that the Board always remained informed about the appointment of auditors, and in practical terms, it would not make any difference if the appointment was made by the Board. As the Audit & Risk Assurance Committee Chair was not present at this point, it was agreed that the decision relating to the appointment of auditors would remain at Committee level, pending further benchmarking to consider whether similar bodies used this approach. This would be referred back to the Board if ARB were an exception and this would be considered further.

A Board Member enquired about the impact on the new Committee memberships if the Lay Member vacancy continued to be delayed. The Director of Governance & International fed back to the Board that assurances had been received from DLUHC that it was highly likely that an appointment would be made before the end of the year.

*The Director of Resources joined the meeting at this point.*

In response to the query regarding the appointment of the auditors, the Director of Resources confirmed that Boards within some similar organisations did not appoint the auditors as this was the role of the Audit & Risk Assurance Committee.

Subject to the minor adjustments referred to above, the Board unanimously approved:

- i. the revised Terms of Reference for the Audit and Risk Assurance Committee as set out at Annexe A;
- ii. the revised Terms of Reference for the People Committee (formerly the Remuneration and Appointments Committee) as set out at Annexe B;
- iii. that the Terms Reference should become effective from the date on which the Board approved the new committee membership.

## **7. Redesignation of the Senior Independent Board Member**

*Mark Bottomley withdrew from the meeting for this item.*

The Director of Governance & International explained that Chair of the Remuneration and Appointments Committee, the Chair of the Audit and Risk Assurance Committee and the Chief Executive & Registrar had considered the nomination of the Senior Independent Board Member role in line with the Board's General Rules.

The Board unanimously agreed that Mark Bottomley should continue in his designated role as the Senior Independent Board Member until the next full review of the Board's committee membership.

## **8. Business Plan 2023**

The Chief Executive & Registrar explained that the Business Plan mapped on to the Corporate Strategy which the Board had approved in 2021, and the format remained consistent. ARB had made considerable progress against each of the corporate priorities, although there were significant areas of work under way.

The Chief Executive & Registrar raised a point that had been made by a Board Member about the need to consider how to better present the closure of the 2022 Business Plan compared to the Plan for 2023. It had proved difficult to provide a closure report on the 2022 Business Plan as the papers had been prepared in advance of the end of ARB's business and financial year end; however, of the 43 sub commitments in the Plan, approximately 25 had been delivered. 18 were activities carried over into 2023, where work had been delayed due to external factors including legislation, as was the case with MRAs; or re-ordered, such as the phasing of the Transformation programme.

The Board Member who had raised the issue of year-on-year tracking, explained that this was not a criticism but a question of how to track the previous year's actions; this could become more difficult year-on-year. It was noted that the progress made to date was pleasing and a significant amount of work had been undertaken.

Another Board Member felt that the business plan covered the work within the equality, diversity and inclusion forum but it did not reflect the Board's approach to inclusive culture

within both the profession and ARB's own culture. It was noted that this was mentioned within the introduction, however this could be made clearer.

One Board Member had considered the business plan and felt that the increase in fees was justified as it was clear how the money had been spent. There was a section on 'standards and good practice' and, in line with the report from the Grenfell inquiry, which was expected to be available next year, there was a suggestion to consider the voice of the consumer. With the analysis of disciplinary cases, there was a need to consider something around measuring the nature and extent of consumer detriment. It was agreed that the first bullet point within that section could be amended to include consideration of consumer views. Within ARB discussions had taken place to consider the follow up to Grenfell and to keep a continuous eye on the contributions that ARB as a regulator were making to public safety. ARB were not waiting until the report was issued to provide a response; this was a focus within the organisation. Board Members were reassured to hear this.

The Director of Policy and Communications reported that there had been a focus on the engagement and research plan within the Code review, and it could also be added to the business plan to provide reassurance that ARB were using research to consider the service being provided to our end users.

In response to a question from the Board, the Director of Registration and Accreditation reported that 57% of the Register had already paid their annual retention fee, which was slightly ahead of the position a year ago. There had been £1.8m in direct debits and a series of reminders were due to be sent to architects in due course. Bank transfers were no longer accepted, and this was working well. Tracking was positive against projections. There had been 670 resignations, of which 60% were due to retirement for those who had already retired or were due to retire. The number of architects leaving the Register due to leaving the UK was relatively small. The Chair was reassured to hear this update and noted that this suggested that the market remained relatively healthy if architects had confidence to remain registered.

A Board Member stated that the document was easy to absorb and enquired how the Executive would manage a situation arising where a significant project was delayed, or new priorities identified mid-year. The CEO explained that the Business Plan is actively managed within ARB and that any significant slippage in a project or major additional work identified would have an impact on the Plan and would be reported back to the Board.

The Board approved the Business Plan for 2023, subject to minor adjustments; it was agreed that the Chair should consider these with the Chief Executive and Registrar and sign off the final version.

## ITEMS FOR NOTE

### 9. Management Accounts

The Board noted the management accounts and forecast year end outturn for 2022.

*Stephen McCusker joined the meeting at this point.*

### 10. Update on Board / Committee Effectiveness Review recommendations

The Director of Governance & International provided a progress update on the recommendations made by the Board earlier in the year with regard to the Board and Committee effectiveness review.

A Board Member noted that they had used the NCVO for an external Board effectiveness review exercise at another organisation, which had proved to be a positive experience.

### 11. Chief Executive's Report

The Board noted the report from the Chief Executive & Registrar on matters relating to the running of the Board's business.

The Chief Executive & Registrar provided an update on the strategic transformation programme of work. A key milestone was about to be reached with the appointment of a delivery partner for the new CRM system. Our IT Principal Partner had led a tender process, held interviews with several prospective providers and we are expecting a decision soon. The Transformation Assurance Group had continued to provide input.

A Board Member referred to page 65 of the Diligent book and noted that a word within point 2.13 was missing.

A query was raised about the diversity of respondents within the CPD consultation and engagement. It was noted that there had more than 1000 responses to the consultation. Over 300 people had offered to become a part of the pilot scheme and their background information

would be used to ensure a diverse group. There were different elements to the piloting so feedback would be required from specific people, and it was likely that larger numbers would be required for policy understanding due to the language elements. We would be analysing responses and the diversity of pilot volunteers to ensure the policy was informed by input from a full range of the profession.

The Chair was pleased to see the extensive engagement with the CPD consultation.

The Director of Governance & International informed the Board that ARB and the Architects' Council of Europe (ACE) had submitted a joint recommendation for a mutual recognition agreement (MRA) under the EU/UK Trade and Co-operation Agreement in September 2022. The recommendation had been acknowledged within the formal governance structures of the EU-UK Trade and Cooperation Agreement. The team would now be working closely with colleagues from DLUHC and the Department of Business, Energy and Industrial Strategy to consider next steps and the timings around these.

In terms of the secondary legislation, Ms. Griffiths from DLUHC confirmed that this had been approved by the House of Commons and was awaiting approval by the House of Lords. Once approved, this would give ARB powers to sign MRAs.

A Board Member enquired whether architects were aware of these changes in legislation. The Director of Governance & International advised that there were a range of channels of communication. There had been a series of updates published on the ARB website as developments unfolded. The Policy and Communications team were formulating communication plans to support the signing, promotion and launch of the MRAs.

The Minister had praised the work of ARB, and Board Members agreed that progress had been extremely positive.

A Board Member enquired whether ACE were aware of the potential changes in the routes to registration. The Director of Governance & International informed that all partner organisations had been informed of the IET review and that it was under way. Partners would be briefed further once ARB's proposals were published for consultation.

The Director of Governance & International provided an update on the content and progress of the secondary legislation, particularly around the Board's ability to delegate some of its functions. Processes were moving forward smoothly and were on track for approval in early 2023.



**12. Any Other Business**

There was no other business.

**13. Dates of Future Board Meetings**

The Chair reminded Members that some Board meetings were likely to take place in person next year. This would depend on the needs of the business; however appropriate notice would be provided to Members if this was the case.

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