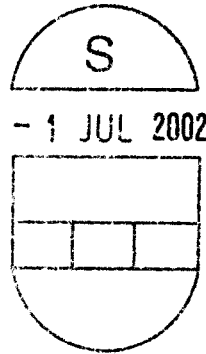


Architects Registration Board

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Mr Ian Salisbury
18 Beaumont Street
Oxford
OX1 2ND



Date 27 June 2002
Ref RV/CK
D. Line

Dear Ian

Professional Indemnity Insurance

I am writing to let you know that I and others, either on the Board, or connected to it, have received the following letters from you.

1. Your letter of 30 May to architect Board Members.
2. Your letters of 31 May and 10 and 24 June to His Honour Judge Humphrey Lloyd QC.
3. Your letter of 10 June to me which you asked be circulated to all Board members. That has been done.
4. Your letter of 14 June to our auditors, to which they have replied.

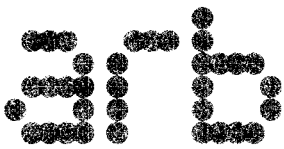
Can I remind you that when I wrote to you on 9 May I enclosed with that letter a copy of a letter to Richard Hastilow at RIBA which apprised you of the Board's legal advice relating to the Board's position on monitoring. The fact that you disagree with that advice is no reason for asserting (as you do in your letter of 10 June) that you were not given it.

Notwithstanding that I will again, in further form, apprise you of where we stand, particularly in response to your letters to Judge Humphrey Lloyd QC, which he has asked me to answer on his behalf and with his approval.

First, neither Judge Lloyd nor any other member of the Board has authority to waive the Board's right to privilege in respect of the legal advice that it may seek or be given. Nothing in this letter should be read as a waiver of that right or as an indication of the advice that the Board has received.

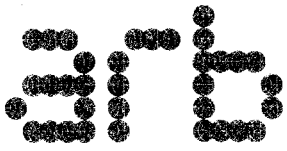
Secondly, as you now know from my letter of 30 May, your letter of 13 May 2002 was put before the Board's legal advisers prior to the Board meeting of 23 May and to the Board on that day, when the Board was advised that it did not raise any issue which had not been considered carefully previously. It is satisfied that it has not acted beyond its powers. Thus the points made in your letter of 31 May had been considered by the Board.

Thirdly, your letter appears to be looking to debate the reasoning leading to the legal conclusion which the Board has accepted. The conclusion may be justified in a number of



ways so, even if the Board had authorised it, a discussion in correspondence over the pros and cons of a line of reasoning may be academic. However, entirely without prejudice to the Board's position and rights, you may wish to consider the following:

1. Part III of the Act deals with the discipline to which an architect is subject. Under section 13 of the Act the Board has power to issue a Code which is to lay down standards of professional conduct and practice and to keep the Code under review and to vary its provisions it considers it appropriate. Parliament has therefore authorised the Board to establish in the Code a set of standards by which an architect's professional conduct may be judged. The Board has to consult before issuing or varying the Code. It has done so.
2. The Board's Code as issued in December 1999 requires that an architect should not undertake professional work (whether within or without an architect's main practice) without adequate and appropriate professional indemnity insurance. (Standard 2 requires that architects should only contract for work for which they are able to provide adequate professional, financial and technical resources, of which insurance is clearly one).
3. The Code when issued in December 1999 also indicated what might be adequate and appropriate professional indemnity insurance, as a result of which an architect would know what might be considered non-compliance (especially bearing in mind that under section 13 (4) of the Act a failure to comply with the provisions of the Code is not to be taken of itself to constitute unacceptable professional conduct or serious professional incompetence).
4. The Board in 2001 did no more than revise the requirements which had been accepted to levels which the Board regarded as adequate and appropriate and at the same time provided a means of enabling the Board to monitor its provisions being directly relevant to the Board's responsibility for professional conduct. The Board's general objectives encompass advancing the protection given to the client of an architect or third party who might otherwise suffer as a result of inadequate insurance. So far as the Board is aware responsible members of the profession accept these provisions.
5. This amplification of the standards is thus well within the power given by section 13 (1) of the Act. It deals with the standard of an aspect of professional conduct and practice, namely the extent of insurance that is to be expected. It is therefore expressly authorised by the Act. If section 13 of the Act is read reasonably in its context it has also to extend to aspects of professional conduct and practice which in the view of the Board are part of or consequential on primary obligations and for which standards need to be established. It is certainly not expressly prohibited by the Architects Act. Indeed section 23 of the Act gives the Board power to make rules generally for carrying out or facilitating the purposes of this Act which also shows that the Act is to be read reasonably and that the exercise of a power which might fairly be considered to be incidental or consequential is not beyond the powers of the Board. (No question of ambiguity arises – the Act has authorised the Board to act or it has not and no question of the implication of a power which the Act expressly prohibits arises because the Act does not contain any such prohibition.)



6. As to costs I am concerned that you appear to be postulating something which is untrue. The retention fee for 2002 and 2003 were fixed respectively at £55 and £65 for a number of reasons, all in the public domain, and none of which relate to monitoring the PII regime; the costs of which have been negligible.

Yours sincerely

Robin Vaughan
Chief Executive and Registrar

cc: Board Members