

Bichard RICS Review: Responses to the Call for Evidence

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Background

Following an inquiry carried out by Alison Levitt QC into issues related to RICS' governance, I was appointed in December 2021 by Governing Council to undertake an independent review of RICS' purpose, governance, strategy and culture.

This review was set up to restore trust and confidence in RICS and to provide the foundations on which it can be rebuilt to meet future challenges, take advantage of new opportunities, and minimise the risk of past failings being repeated.

The review opened on 7 December with a call for evidence seeking views from stakeholders on issues pertinent to the review's Terms of Reference.

This paper sets out the key issues identified by respondents in that call for evidence.

Respondents

The call for evidence received **504** responses and I am grateful to all those who took the time to contribute.

The call did not require respondents to identify themselves, or in what capacity they were responding, and so no information was collated on the demographics of respondents. In many cases, respondents chose to specify they were providing evidence as members of RICS or other stakeholders, and where possible this distinction has been made in the summary below.

A number of responses provided information on issues that are outside of the terms of reference for this review, for example on specific regulatory cases. I was unable to act on such evidence as part of this review, but I have considered any underlying issues that these contributions raised in respect of my terms of reference.

Summary of Responses

Governance

The Levitt Review exposed a lack of clarity in the relationships between the various Boards, Committees and Council, such that the Audit Committee did not feel it necessary, or even appropriate, to alert the Management Board and Council to cash management issues, evidenced by a formal internal audit report within Finance in 2018. From feedback received during the call for evidence, it is clear that relationships between the Boards are not working as effectively as they could be, or with the desired level of transparency.

Many respondents to the call for evidence highlighted that while they did not feel able to comment on what the future governance structure should look like, they believed that roles and responsibilities should be more clearly defined and that there should be greater transparency and accountability.

Governing Council

Many of those responding felt that the Governing Council should be the ultimate decision-making body. However, some raised concerns that its authority had been damaged by repeated changes to its structure over the years and the fact that it is no longer chaired by the President. There was also concern that its members do not reflect the makeup of the profession in terms of geographical location and areas of surveying specialism.

Some respondents also felt that, until recently, Governing Council had not met often enough to deal with business and that this had been one reason why senior staff had seen the need to assume greater decision-making powers.

Public Interest

The Royal Charter makes clear that RICS has a responsibility to act in the public interest and to operate in a way that creates public advantage. However, key stakeholders have commented that RICS needs to better ensure it is placing the public interest at the core of its activities.

Several respondents noted that the recent failings had damaged public confidence in the Institution and its ability to protect the public, despite assurances that RICS standards and regulation were not impacted by the Levitt Review.

A number of those providing evidence felt that RICS could provide a greater leadership role on key issues affecting the profession and society, such as developing solutions to sustainability and environmental challenges.

Diversity and Inclusion

Many responding to the consultation – particularly larger firms – felt that too little emphasis had been placed on diversity and inclusion. Only 19% of members are female and very few come from black or minority ethnic communities, although there is not enough data to have a full understanding of the issue. Not enough effort was being made – respondents said – to increase diversity in the profession, the RICS staff team, its governance structures or working groups. Respondents were concerned that there was a real danger that RICS becomes detached from the communities it serves.

Commercial Focus

Many respondents felt that RICS had given disproportionate attention to commercial activities at the expense of member support. Few argued that there should be no commercial activity, but most felt that the right balance had not been struck. The provision of Continuing Professional Development (CPD) was often quoted as an example of where commercial priorities came into conflict with supporting the profession.

Member Engagement and Value

A large number of submissions, and evidence from Defining our Future, pointed to a decline in member engagement in recent years, which respondents felt was especially true in the UK. This, it is said, contrasted sharply with the way in which RICS had operated previously and left members feeling that they now received poor value for their subscriptions.

Respondents also complained that they could no longer access authoritative advice and professional development on relevant topical issues. Some believed money was being spent on what they described as marginal activities, whilst others were concerned that there was little transparency around how RICS spends member subscriptions, and in which geographies.

Staff/Member Relationship

Many members that I spoke to felt that power had shifted from members to senior staff at RICS to such an extent that RICS was no longer a member-led organisation. I note from the Levitt Review that some senior staff, on the other hand, felt that the Institution's governance arrangements had become dysfunctional and that it was impossible to have decisions made in a timely fashion.

Regardless of the underlying reason, it is clear that members responding to this call for evidence feel that they had lost influence within the organisation.

Some submissions from both members and staff suggested the partnership between staff and members is not working as effectively as it could. Many members said that they felt pressured in the past by the executive when seeking to reassert their influence or challenge thinking, while some staff have told me they have felt pressured by members when trying to undertake their duties.

Several respondents noted that RICS staff are not held to the same standards as RICS members - unless they are members themselves.

Global expansion

Many members - especially in the UK - felt that the drive for global expansion had become the dominant purpose of RICS, and some felt that it had been done at the cost of poor service in the UK. Conversely, many members based outside the UK felt they got little value for their subscriptions and often referred to RICS as being too focused on the UK.

Some respondents commented that the focus on overseas growth had led to the Governing Council being dominated by international members, despite the fact that the majority of the Institution's members are based in the UK.

Most people I have met feel that RICS needs to revisit the global strategy, but few disagree that the RICS should be an international body.

Quality of service

Many respondents complained about the poor quality of service that they had received. This ranged from calls and emails not being answered to a poor digital experience. There was also a feeling that there was insufficient practical support, and it was not always clear where to direct technical or ethical queries. This mirrors information received during 'Defining our Future'.

A clear theme emerging from responses was the need to improve the clarity and consistency of communication, and to ensure that it is relevant and useful to those receiving it.

Next generation

The future success of RICS depends upon encouraging future surveyors into the profession and valuing its newer, younger members. However, there was a unanimous feeling that younger members were no longer valued or listened to as they once were. For example, it was noted that Matrics used to have a seat on the Governing Council, but this was no longer the case, which has denied younger members a voice.

Many submissions also referred to the poor management of the Assessment of Professional Competence (APC) process in recent months as further evidence that the next generation was not perceived as a priority. Many respondents argued that the assessment to become a member of RICS is in need of modernisation.

Regulation

A number of respondents felt that setting and assuring standards was key to RICS' purpose and there was broad support for the professional standards produced by RICS. However, some felt that standards and guidance were no longer as relevant in the market as they could be or are too complicated.

A number of responses noted that it was difficult to make a complaint to RICS about a member or a firm, and when they did, they did not feel that it was always being dealt with effectively. Members and firms who had complaints against them also commented on the difficulty in getting updates in a timely manner.

Respondents from outside the UK highlighted concerns around duplication of professional obligations, stating that it was often necessary to be a member of more than one professional institution and highlighting opportunities for better partnerships with these bodies to ensure that RICS remains relevant in these countries.

Disciplines and sectors

RICS has an exceptionally broad membership covering many different disciplines, as well as large and small firms, some urban and some rural. It is no easy task to engage and support all of these interests – particularly when they vary considerably across different geographies too. However, many members indicated that they no longer feel engaged or supported in their professional area of practice and as a result highlighted a lack of identity and community within the wider surveying profession.

Many respondents cited other professional bodies of which they were members and felt that those bodies were better placed to provide specialist advice and support in their area of practice, often operating on lower subscription fees but making members feel more valued.

Next Steps

While the Call for Evidence has officially closed, I have taken the decision to leave the review's inbox open to consider any further views put forward. I am also continuing to undertake roundtables and discussions with members, staff and stakeholders, which will continue to inform my understanding of the issues.

I am grateful to all of those who have contributed to this review so far and taken the time to provide evidence or discuss their views.

The review is due to conclude in June, and I remain on track to deliver my report by then.