

# Independent Review into Purpose, Governance and Strategy

## Background and Purpose

In January 2021, RICS Governing Council voted unanimously to proceed with an independent review into events that took place in 2018 and 2019 in relation to the commissioning, and subsequent management, of an internal Audit into the Institution's treasury management functions.

The review was undertaken by Alison Levitt QC who delivered her report to Governing Council on 11 August 2021. Her report, conclusions and recommendations were accepted in their entirety by Governing Council which published the report on 9 September 2021.

The review concluded that the governance structure of RICS, in particular a lack of clarity on the roles and responsibilities of governance bodies, enabled, rather than prevented, poor leadership and decision-making by senior executives, officers, and non-executives. The Report recommended that RICS undertake a '*...wide-ranging examination of purpose, governance and strategy, conducted by an external reviewer*'.

On 1 December it was announced that the independent review into purpose, governance and strategy would be undertaken by Lord Michael Bichard. These terms of reference have been agreed between Lord Bichard and Governing Council, with consideration of the questions posed in Appendix A.

## Aims

The Review aims to clarify the purpose of RICS, including its responsibility to act for the public advantage; make recommendations on its governing structure to deliver that purpose; and provide proposals for the incoming leadership and governing body on the future culture and strategy of the Institution.

## Objectives

Mindful of RICS' role as a professional body, governed by Royal Charter, the Review objectives will be to:

- create clarity about RICS' purpose given its current position and the context within which the profession and Institution operate;
- make proposals for the future which will put RICS in a position to stand as a beacon for best practice in governance, transparency, and accountability - strengthening the reputation and position of members and the Institution itself with the public, industry and governments;
- make proposals for the new leadership and governance body on ensuring that RICS' strategy, governance structures, culture and resources are appropriate to meet its purpose; contain mechanisms whereby they can be reviewed and refreshed so they remain relevant in the future; and support its obligations to act for the public advantage.

**Scope**

The Review's scope will include the objectives noted above and should specifically cover RICS' purpose, governance and strategy in the context of its Royal Charter.

**Term and time commitment**

The Reviewer should present findings to Governing Council by 30 June 2021.

**Appointment**

The appointment of the Reviewer was made through an open appointments process. The appointment was made by Governing Council on the recommendation of an appointment panel established by Council. The Review will report directly to Governing Council.

Oversight and support during the review will be undertaken by a Governing Council Steering Group.

**Secretariat**

The Reviewer may appoint a dedicated secretariat, which will be agreed with RICS.

**Member and Stakeholder engagement**

The Reviewer will undertake engagement with significant stakeholder groups, both inside and outside the UK, including (but not limited to):

- a diverse range of members across different specialisms, firm type, geography and backgrounds;
- regulated firms;
- relevant RICS Boards and Committees;
- clients and consumer groups;
- relevant industry participants;
- accredited education providers;
- governments and regulators; and,
- RICS staff.

**Publication**

The review will be published by Governing Council.

## Appendix A

Questions the reviewer was asked to consider when setting the Terms of Reference:

- what is the purpose of RICS, and is that purpose the same in the UK as it is in the rest of the world?
- what governance structures and mechanisms does RICS need to ensure it is set up to understand, deliver and assess its public advantage responsibilities?
- what functions *must* RICS undertake to deliver that purpose and what functions *might* be undertaken, but are not essential?
- is RICS set up to effectively deliver for the public advantage and is it demonstrably working in that way?
- how should resources be allocated and prioritised, including between functions, surveying specialisms and geographies?
- how might any strategic objective and resource allocation, to increase membership and the locations within which members operate, be balanced with the need to support and develop existing members in current locations?
- what is the role of Governing Council (i.e., the Institution's governing body)?
- how should that governing body be structured and composed and how might different approaches build trust and confidence in the governing body from members, the public and other stakeholders?
- what functions should the governing body undertake itself and what functions should it delegate?
- what governance structures does the governing body require to ensure delegated functions are undertaken appropriately and with a correct level of oversight?
- how might effective governance functions be supported by formal and informal structures focused on ensuring effective engagement with members?
- how might the Institution increase effective engagement with members and their involvement in its work?
- what should RICS' relationship be with firms and other employers of surveyors?
- to what extent should non-members hold roles within the various governance bodies of the Institution?
- what should be the role of the Institution's executive, including Chief Executive, and should senior executives also be members of relevant governance bodies?
- how should RICS approach the relationship between the interests of its members and the interest of the public and how should regulatory activities (including registration, supervision, standard setting, and entry requirements) be structured and governed?
- to what extent should RICS undertake commercial activities and how should this activity be structured and governed?