



CORPORATE REPORTING

Q4 global performance report

May 2022 – July 2022





110,431

members hold RICS professional designations (FRICS, MRICS, AssocRICS) worldwide

To achieve Governing Council's vision, Management Board established five key pillars within our business plan for 2021-22.

- 1 Trusted by our stakeholders and society
- 2 RICS qualifications in demand by remaining relevant for the next more diverse generations
- 3 Influential voice on sustainability, data and technology, and diversity and inclusion.
- 4 Involved and engaged members
- 5 Sustainable 21st century professional body by improving our financial sustainability and enhance the transparency of our governance.

1,430

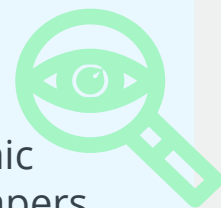
new candidate enrolments at quarter end

1,291

new professionals awarded RICS designations at quarter end

3,704

downloads of economic surveys and insight papers



Over

30,359

registrations across our training and conferences portfolio

13,593

unique visitors to our World Built Environment Forum content



Financial performance

The Q4 RICS financial performance is in line with the corporate objective of achieving a £3.0m surplus. This continues to reflect the work on strengthening cost control and making the organisation financially stable.

- Revenue to Q4 is down £2.4m (3.3%) compared to budget, with commercial revenue making up most of the shortfall. Knowledge and competence product sales have been impacted by our decision to focus on improving the value of RICS membership, by increasing the availability of CPD as part of membership, and by the economic environment.
- Staff costs are better than budget by £4.1m (10.7%) driven by vacancy numbers and cost control in the last 12 months.
- Other operating costs are £0.9m (4.8%) better than budget driven by further work on controlling costs and the reduction in travelling costs.
- From a cash perspective, our cash position has improved significantly over the past 18 months because of the cost controls we have put in place. This has enabled us to move away from our Revolving Credit Facility, with no expectation of requiring short term funding over the winter period.
- The sale of BCIS is not included in the above figures. The BCIS business was sold in June 2022. £7.5m of the value realised has been reinvested into BCIS Limited and RICS has received a cash injection of £15m which will be held in reserves to support the longer-term future of the Institution.

1 Delivering confidence for public advantage



Interim Chief Executive Officer's introduction

I am pleased to report that RICS delivered a strong performance towards achieving our strategic goals in the final quarter of the business year. In addition, following the publication of Lord Bichard's review at the end of quarter three, RICS has also made substantive progress in line with our commitment to address his recommendations at pace.

Implementing Lord Bichard's recommendations and the outcomes of the independent review

At the end of June, Lord Bichard presented a report and 36 recommendations following his review into RICS' purpose, governance and strategy. RICS Governing Council strongly endorsed the report and recommendations, and work began immediately to implement the recommendations at pace.

Since then, RICS has made good progress in a number of areas. Governing Council has agreed five steering groups to oversee implementation (covering governance; strategy; people, culture and values; member services; and knowledge and practice). RICS also launched a consultation on the structure of RICS' Professional Group Panels to lead the advancement of knowledge and professional development in their respective surveying sectors and to form part of the future governance structure.

Governing Council also agreed to merge the Nominations and Remuneration Committees into a single Nominations and Remuneration Committee with a wider role in overseeing appointments, and to change RICS' financial year end from 31 July to 31 December to align better with the calendar and membership years.

Separately, RICS completed the implementation of the Levitt Recommendations in July.

Listening to members

The annual Survey of the Profession provides an important opportunity every year for RICS to hear members' views and ensure RICS activity is focused with the correct priority. The **most recent survey** revealed small increases in overall satisfaction and transparency ratings.



However this was accompanied by small declines in trust and influence scores since the last survey wave, and a decline in the response rate from 8.9% to 3.5%. Nevertheless, we also saw positive indications on topics related to the reforms flowing from Lord Bichard's recommendations, and encouraging numbers on topics like member engagement, local representation and local office coverage.

These scores suggests that members broadly endorse the direction of travel and are beginning in greater numbers to say that their priorities are being met. While we believe these scores reflect the unique context of recent periods – including potential “consultation fatigue” following multiple moments where members' views have been sought on a variety of topics – we are committed to learning from the valuable insight the survey provides, and working hard to improve consistently how RICS delivers to support members' work to the public advantage.

Enhancing member engagement, experience and value

Growth in member-led and member-focussed activity continued apace this quarter, reflecting strides made by Rory Murphy FRICS and other members on the Member experience, engagement and value (MEEV) Working Group. Over 3,000 members in 38 countries have met at recent free local engagement events to network and share insight in person and online, with World Regional Boards also agreeing funding to encourage further such activity in future. These welcome developments reflect members' previously expressed desire for greater opportunities to meet and deliver engagement activity on their own initiative. Member benefits also continue to be available for members to consult easily in a single place via the [Member Value Hub](#).

June also saw welcome developments in the provision of spaces for members to network and conduct business, with the opening of a new office at 10 Charlotte Square in Edinburgh and plans at an advanced stage for reopening the Belfast and Cardiff offices. There has also been progress in creating more opportunities for face-to-face member engagement via the relocation of space for members to the Birmingham office's 5th Floor, as well as productive collaboration between a member-led working group and the RICS Workplace team making better use of spaces at Great George Street.

Improving access and inclusion in our sector

In July, RICS agreed a **45-point action plan** to improve equity, diversity and inclusion (EDI) in the sector working with five other leading membership bodies – CIOB, ICE, RIBA, RTPI and the Landscape Institute, collectively representing 350,000 members. The bodies will collaborate to deliver objectives centred on data collection, improving understanding of transition from education into employment, and EDI standards. The action plan will be delivered over the next three years, with annual progress reviews from senior leadership taking place in February each year. This follows the signature of a **Memorandum of Understanding** in April 2022.

Influencing the global agenda in times of change

RICS continued to make significant impact on built environment leaders and policy-makers through its advocacy and influence activity. In the quarter, our **Digitalisation in Construction 2022 report** emphasised the importance of data and technology in delivering good outcomes in construction and infrastructure projects, and was favourably received by professionals and media alike. We saw strong engagement with World Built Environment Forum content across all formats with 13,593 web visits for the quarter, and continued demand for RICS market surveys with citations from the London School of Economics, IMF and the Canada Pension Plan Investment Board among others.

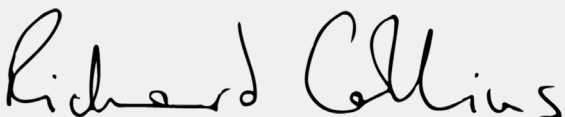
Building trust through respected standards

RICS made further advances last quarter to ensure public and stakeholder trust in RICS professionals and the standards embodied in their work across the built and natural environment. There was further positive market reception for RICS' International Building Operation Standard (IBOS), with 23 firms having adopted the standard to date including Legal & General, Royal Air Forces Association and CarbonxGen. Following the conclusion of the Independent Review into Real Estate Investment Valuation earlier this year, the Standards and Regulation Board has appointed the Valuation Review Implementation Committee chaired by Richard Waterhouse FRICS to oversee the implementation of the 13 recommendations. The Committee, along with the staff team, will collaborate to deliver the programme with a **roadmap** now available.

Delivering a resilient future for professionalism

The latest figures for renewals are 111,622, with CPD completion at 96%, and the **CPD Support Pack** remaining available for members to activate via their RICS account. 1,687 assessments were delivered in the quarter, indicating the continued dedication of both our candidate and assessor communities to professionalism and its future.

While space does not allow me to report here every RICS initiative of the last quarter, I hope that this introduction indicates the encouraging progress we continue to make, both in day-to-day delivery and in refocusing RICS as a truly member-led organisation operating with public interest at its heart. I look forward to reporting further positive developments in the months ahead.



Richard Collins
Interim Global Chief Executive Officer

2 Influencing the global agenda in times of change

The last quarter has seen significant influence and advocacy activities across all markets.

We launched our inaugural annual **Digitalisation in Construction 2022** report. This highlighted the important role that data and technology is and will continue to play in the delivery of construction and infrastructure projects.

It has gained excellent trade press coverage and positive feedback from our members:

“The following report shows an admirable mixture of these two forces, with unsurprising lagging indicators of adoption, particularly in the UK, married with a forceful and important call to arms from the RICS. It is critical that as an industry we rise to the challenge.”

Jon Sealy, Chief Executive, Faithful and Gould Engineering Services



Other highlights from across the globe

RICS has been working with the World Bank and the Institution of Surveyors of Uganda to deliver a research report on the Valuation of Unregistered Land in Uganda. This shows that we are already delivering the recommendations of the Bichard Review by working in partnership with other organisations to deliver thought leadership for the public advantage.

We continue to attract a good rate of downloads from across our suite of market surveys and other RICS reports. In line with GDPR regulations we have introduced a new compliance cookie which is reflected in the overall decrease in the data.

Survey	Downloads
UK Residential Survey	2,694
Global Commercial Property Monitor	267
Global Construction Monitor	327
Sustainability report	416
Total	3,704

There is continued demand for the data from all our market surveys from key stakeholders. With the latest organisation using the data including: London School of Economics, IMF and the Canada Pension Plan Investment Board.

The World Built Environment Forum has also continued to see excellent engagement with content across all formats with 13,593 web visits for the quarter.



3 Building trust through respected standards

Our standards continue to ensure public and stakeholder trust in RICS accreditation and provide quality assurance to those employing RICS professionals.

Our Profession and Stakeholder Surveys help us to monitor and ensure that those standards continue to be developed, are relevant and regularly implemented. Results from our most recent member survey show that over 70% of our members are satisfied with the relevance and content of RICS standards and over 80% seek to implement them in to how they work. More work needs to be done to generate wider awareness of the professionalism of RICS members by promoting the high standards they work to and the solutions for clients and consumers. A summary of the Survey of the Profession can be found [here](#).

RICS' **International Building Operation Standard** (IBOS) continues to be well received by stakeholders in the market:

“IBOS uses a multi-faceted approach to evaluating building operations which incorporates global benchmarks and has a unique focus on user experience. I am thrilled that the RICS has developed it. A standard that can be adopted anywhere in the world to inform a wide cross section of stakeholders, especially property owners and potential investors”.

Janelle Chandler MRICS Facilities and Commercial property Management Professional, Sagicor





“The world as we know has changed and so has our workplace. The pandemic has hyper-increased the focus on safety and wellness as organisations strive to bring employees back to the workplace. [...] I would like to congratulate, compliment and encourage the RICS, the World’s leading professional body for qualifications and standards as they introduce International Building Operations Standard (IBOS) for property developers and owners to appreciate, implement and benefit”

Ritesh Sachdev SVP & head of Commercial Leasing and Asset Management, Tata Realty

RICS will continue to work with industry to increase adoption and recognition of IBOS, and drive recognition of RICS members’ services in assessing and managing building performance. There have been 25 organisations adopting IBOS to date, including Legal & General, Royal Air Forces Association and CarbonxGen

The Independent Review into Real Estate Investment Valuations led by Peter Pereira Gray was published in January 2022.

RICS has now moved into implementation phase and a sub-committee of the Standards and Regulation Board has been appointed to oversee this phase. Work is beginning at pace with a review into the current standards framework and a call for views on changes to relevant RICS Valuation standards with further formal consultations in October/November this year. Changes to the regulatory policy and operations will also be consulted on in early 2023.

To keep informed and track progress of this implementation please visit [Review of Real Estate Investment Valuations](#).

Delivering confidence

We are RICS. Everything we do is designed to effect positive change in the built and natural environments. Through our respected global standards, leading professional progression and our trusted data and insight, we promote and enforce the highest professional standards in the development and management of land, real estate, construction and infrastructure. Our work with others provides a foundation for confident markets, pioneers better places to live and work and is a force for positive social impact.

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