

On the publication of the Annual Review and Financial Statement for RICS business year ending 31 July 2020, Sean Tompkins CEO says:

“As the COVID-19 pandemic spread across the rest of the world, and governments took action to control the spread, we responded with agility to reset our global plans for the year. Inevitably, this came with financial challenges.

“Our response to this global crisis was to support the profession, ensure the wellbeing of our people, manage our cash position and pivot our operations to online – to enable people to work from home and to ensure most of our products and services could remain available to the profession. Our ability to achieve this at pace was, in part, thanks to the previous years’ investment in modernising our technology. As we experienced immediate decline in our commercial revenue as the pandemic spread, we increased focus on managing our cash position and preserving reserves. Within weeks, we switched our entire operation to enable thousands of remote professional assessments to take place, ensuring that the next generation were not affected in their career progression.

“Our achievements in the business year 2019/20 and the actions which we have continued to take during the current financial year should position RICS to better support the profession and deliver to the public advantage now and in future years. In this challenging context for everyone in the built and natural environment, I am pleased to report in 2019/20 RICS has delivered confidence across all four strategic objectives set by our Management Board and elected Governing Council of surveying professionals. Importantly, RICS has continued to protect its financial reserves while re-configuring how it operates in a new reality. This will enable RICS to build back better for the future.

Paul Marcuse FRICS, Chair of RICS Management Board says:

“Like many other organisations, RICS’ leadership made tough decisions to ensure our professional body could sustain itself in the new global economic conditions.

“As the unprecedented nature of the global pandemic became apparent in early 2020 RICS focused on temporarily reducing operating costs to match the anticipated fall in revenue and to manage the cash position. To manage the financial impact of a decline in revenues, swift and temporary action was taken to reduce and control costs. Global employee recruitment was frozen, the CEO, Executive team and non-executive Chairs took voluntary, temporary pay cuts. In order to protect immediate risks to employment, we utilised global government support schemes, including the UK government’s furlough scheme. With these actions, the organisation was able to minimise the statutory accounting loss for the year and deliver a performance that exceeded the original business plan while reacting to immediate COVID-19 impacts at pace. This result should be seen in the context of temporary and emergency action taken to reduce and control costs during the unprecedented global pandemic recognising that the following financial year will need to deliver more permanent actions to align RICS with the new financial realities it will be operating under.

“I am further pleased to note that the independent auditor of RICS, Grant Thornton UK LLP, has issued an unqualified audit opinion on the full financial statements for the year ended 31 July 2020.”

On the publication of the Annual Remuneration Report for the year ending July 2020, Geraldine Kelly, Chair of RICS Remuneration Committee says:

“RICS Remuneration Committee is responsible for reviewing and setting executive incentive plans, employee salary increases and succession planning to ensure policies are clearly aligned to RICS strategic objectives as a profit for purpose organisation - while taking account of the global markets in which we compete for talent. Although RICS’ Royal Charter does not require disclosure of executive reward, we believe in adhering to the highest standards of corporate governance and publish this report each year making RICS’ CEO salary and reward package public.

“In 2019-20, there was strong performance against most of the performance objectives and the Committee noted that eight months of the year under review were before COVID-19 had an impact on the organisation. We confirmed that RICS had achieved the operating surplus in the management accounts, excluding any government supports, needed to trigger the incentive plan.

“We were also aware of significant achievements in pivoting the business and taking timely actions to maintain cash flow and successful operations. We recognised the ongoing challenging business environment for RICS and took into account our external adviser Mercer’s updates on actual and expected variable pay outcomes in the market and updates from Committee members with relevant sector experience.

“Taking all this into consideration, the Committee determined that it was both appropriate and defensible to pay some discretionary element of incentive for the 94 employees including the executive team in RICS incentive plan, subject to affordability.”