

Implementation of Levitt Review Recommendations - Update

Governing Council can today provide a detailed update on progress made in response to all 18 recommendations in Alison Levitt QC's review.

Alison Levitt QC made the recommendations following her review into the events which took place in 2018 and 2019 in relation to the management and decision making on treasury management process and the subsequent dismissal of four Non-Executive Directors.

Governing Council accepted all recommendations upon publication of her report on September 9, 2021.

Recommendation 1 –Commissioning of an Independent Review into Governance

Governing Council has reaffirmed its determination to prioritise the establishment of the independent review of governance, purpose and strategy. Council sees the work to be undertaken by this review as critical to the rebuilding of trust and confidence in RICS. To achieve this, Council is committed to a truly robust, transparent and independent process in which the views of members and other stakeholders will be heard.

Council will be working with Gatenby Sanderson to identify the best possible candidate for this work. Once selected, the reviewer will be invited to review and settle their terms of reference with Governing Council and appoint their own secretariat to support their work.

Governing Council believes these processes will be completed in time for this independent review to commence before the end of November.

Recommendations, 2, 3, 4 and 5 – Relating to the sharing of minutes and access with Governing Council from various Boards and Committees.

We have amended Terms of Reference for relevant Boards and committees to require approved minutes of Board and Committee meetings to be shared with Governing Council, Management Board, Audit Committee and Standards and Regulation Board, and make any relevant Board/Committee papers available to those Boards and Council on request.

These changes will be fully implemented by the end of October.

Recommendation 6 – Frequency of Management Board meetings

Governing Council has agreed that there will now be eight Management Board meetings a year and the schedule for future meetings will be amended to reflect this.

Recommendation 7 – Exclusion of members of the Presidential Team from the Management Board

Amendments to Terms of Reference to exclude members of the Presidential Team from also being members of Management Board have been approved by Governing Council.

Recommendation 8 – Access of Board Members to raise issues and concerns with Governing Council

Governing Council has approved amended Terms of Reference to note that any member of RICS boards may raise any matter with Governing Council through its Chair.

Recommendation 9 – All members of Boards and Committees should be subject to regular reviews.

We have recommended that this is brought into the Terms of Reference in the forthcoming Independent Review of Governance, and for the Reviewer to advise on the mechanisms which are required to monitor how effectively all Boards and Committees – including Governing Council – are operating.

Recommendation 10 – Values Statement

A key recommendation by Alison Levitt QC was that Governing Council commission an overarching statement defining RICS values and culture by September 30, 2021. This is now published [here](#).

The statement identifies six key Values and what they mean for RICS staff, members, partners, and members of the public.

Recommendation 11 – Review of rewards and executive bonus structure

The executive structure will be considered following the Independent Review into Governance, as the structure is likely to be affected by the outcomes of this.

We are moving ahead with a separate review into reward structures and levels for senior executives. This will be undertaken independently via external advisers, the procurement process for which is already underway. It will be run in conjunction with the new Chair of the Remuneration Committee. We will also strengthen the Terms of Reference for the Remuneration Committee.

Recommendation 12 – Overhaul of RICS whistleblowing structure

We have already formed an agreement to work alongside Protect, the charity which supports employees and businesses in raising concerns at work, to establish and deliver a Best-in-Class whistleblowing process.

Protect works with organisations to ensure raising concerns is embedded into the policy and culture of the business.

We can confirm that the head of the whistleblowing pyramid at RICS will be a member of Governing Council, and that any investigations required as a result of a whistleblowing report will be conducted by a third party.

We will publish an Annual Report on our whistleblowing progress and will work with Protect to benchmark RICS annually against other similar organisations.

Recommendation 13 – Clarification of the circumstances (if any) in which the Chair of Governing Council is entitled to take decisions, such as dismissing non-Executives, on behalf of the Council.

This recommendation will form part of the Independent Review of Governance.

In the interim, Terms of Reference for governance Boards will be amended to clarify that non-Executives may only be removed through a decision of Governing Council on the recommendation of the Board's Chair.

Recommendations 14, 15, 16 and 17 – overhaul of legal advice procurement and framework.

Existing arrangements, the level of spend and the organisation's requirements for legal services are being reviewed across all departments. Once this exercise is complete, a new framework for procuring and instructing external legal advisors will be prepared for approval by Governing Council. We expect this to be implemented in November. The Institution will then commence an open tender for new legal advisers in January 2022.

No further legal work has been undertaken for RICS by Fieldfisher since Alison Levitt QC's review and RICS has access to other legal advisers until the formal tender process is completed.

Recommendation 18 – Public Apologies

Apologies have been made verbally and in writing to the four NEDs, Amarjit Atkar, Bruce McAra, Simon Hardwick, and Steve Williams, and GC19, and discussions are in progress regarding the reimbursement of legal fees which RICS has agreed to meet.

Next Steps

We will provide further updates on key recommendations at the Annual General Meeting later this year and will commit to providing regular substantial updates following the AGM.