

CORPORATE REPORTING

Standards and Regulation Board report 2023

Year ended 31 December 2023

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Foreword by Nigel Clarke, Chair of the Standards and Regulation Board

Appointed as Chair of the SRB during 2023, I have been impressed by and grateful for the professionalism of the interim SRB members in getting to grips with the comprehensive regulatory programme so quickly, and working so diligently to support the operational work of the SRB executive.

In the six months of 2023 since my appointment, I have spent time working with the team, with members of RICS governance bodies and with external stakeholders to build a deeper understanding of RICS and the profession. This has also involved reviewing the delivery of regulation to identify any areas where the SRB's independence requires strengthening or improving.



With the [regulatory framework](#) having been in place since 2022 and with the SRB reporting directly to the Governing Council, I have been impressed by RICS' approach to independent regulation. The model applies the principles of the [Better Regulation Framework](#), is credible, works to the public advantage through focusing on strengthening trust and confidence, and provides the foundation of professionalism for RICS members.

In a [well-publicised interview](#), I shared my view of the quality of regulatory work undertaken by the SRB. In line with the wider organisational transformation, our culture of improvement will be vital to ensure that RICS, and the regulatory activities it undertakes, is forward-looking and agile in order to keep pace with public expectations, changes to practices and developments in areas such as technology and AI.

Throughout 2023, the interim SRB has worked to maintain the strategy, oversight, policy and direction of travel so ably led by members of the SRB in post in January 2023. While no-one would have wished for the events of 2023 and the resignation of members of the board, it is right to wholeheartedly thank those members for their contribution to RICS' regulation and the public interest. Those events led to careful reflection on the independence of RICS' standards and regulatory activities, reflection that has shown the resilience of RICS' regulatory model and reinforced RICS' commitment to the model set out in the regulatory framework. We look forward to building on those strong foundations.



I have been particularly encouraged by the positive, collaborative working relationship being established with the RICS Board and Governing Council, who have both recognised the independence of the SRB.

Working closely with Ann Gray, Tina Paillet, Chris Alder, Justin Young and Martin Samworth, we have proactively engaged with external stakeholders – such as with UK government departments and authorities in Europe, the Middle East and Asia-Pacific – to explain how professional regulation operates and why members and the public can continue to have confidence in independent regulation at RICS.

The SRB, myself and the executive team delivering RICS' professional standards and regulatory functions are passionate about building upon the strong foundations already laid down, which will help RICS to meet the challenges facing the modern profession. At a macro level, these include technology, decarbonisation and sustainability within a transforming global geopolitical landscape. In addition, the SRB has been quick to recognise the critical need to ensure our regulatory activities provide the appropriate level of consumer protection – and where those protections cannot be delivered by RICS alone, we must use our influence, intelligence and advocacy to convene other agencies to support us in upholding the public interest.

Since my appointment, I have been inspired by the breadth and diversity of this truly global profession. I have been encouraged by the commitment of the executive team, as well as being inspired by its vision in leading the debate on the future of professionalism with other global professional regulators. We have much more to do to communicate the sophistication of RICS' regulatory model; to help explain what the scope of independent regulation means to members, the public and stakeholders; and to build and maintain trust in the profession. I am looking forward to working with the new SRB in 2024 to take that forward.

Foreword by Chris Alder, Senior Executive Officer

2023 was a year of significant challenges, from global and domestic political uncertainty to economic turbulence. The Standards and Regulation teams have worked tirelessly and with professionalism to maintain confidence in RICS' ability to uphold global professional standards to the public advantage in the face of a series of challenges.

This has ensured uninterrupted operational delivery and maintained the momentum of the SRB's regulatory strategy, including delivery of the Entry and Assessment Review, review of continuing professional development, scrutiny and approval of professional standards and extending recognition of the Dispute Resolution Service.



As the independent regulator of the profession operating within RICS, we work within a regulatory design and undertake activities that are comparable to other professional regulators. This approach has helped create a solid foundation for credible and viable regulation, and has shown real resilience over the last 12 months. Beyond setting professional standards, standards for entry to the profession and those for alternative dispute resolution (ADR) practitioners; investigating complaints; undertaking audits; and monitoring CPD compliance, our regulatory design emphasises the use of 'proactive assurance'. Throughout 2023, this approach led to us building more effective working relationships with a range of statutory agencies and the regulators of other professions in order to share intelligence.

In common with other professional regulators, we have seen a continued trend of increasing numbers of complaints being made about RICS members, appointed arbitrators, adjudicators and expert witnesses. Increased awareness of RICS regulation and our proactive issuing of Practice Alerts throughout the year partly accounts for the increase. We anticipate that trend continuing, especially as we support the SRB in its strategic direction towards better communicating RICS' regulatory model and raising the profile of our regulatory activities.

Unfortunately, alongside this increased activity – and also in common with other professional regulators – we have also seen a deterioration in the standard of behaviour of some complainants (and some members), with increased instances of unacceptable intolerant and disrespectful behaviour. This is of concern from a regulatory perspective, because of the risk such behaviours have to the perception of the SRB's independence and the reputation of the profession. This will be an area for our attention in 2024.

Introduction

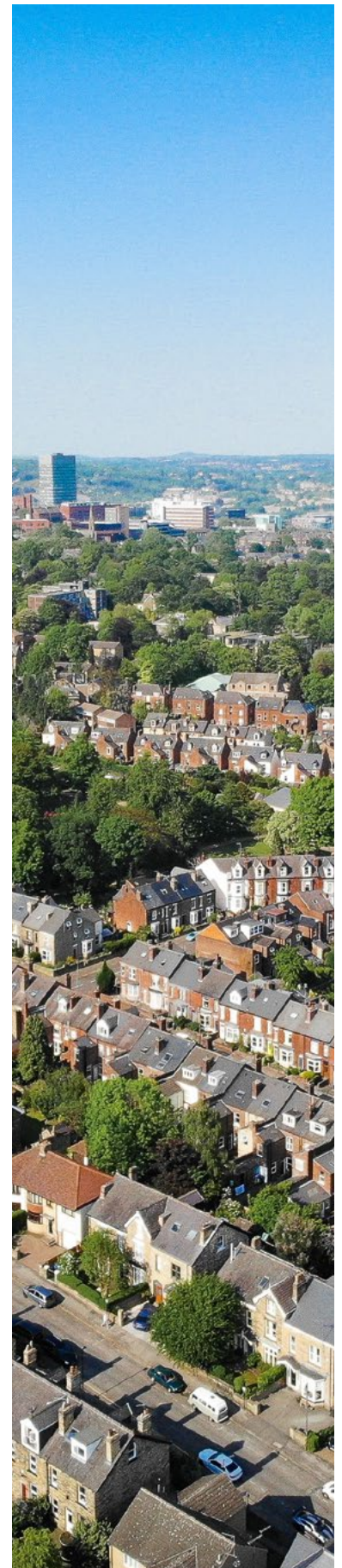
RICS is a Royal Charter body with responsibility for regulating its members. To meet its Royal Charter obligations, RICS is committed to regulating its members and regulated firms for the public advantage.

The regulatory functions of RICS are delegated from RICS' Governing Council to the independently-led Standards and Regulation Board (SRB). The SRB's objective is to uphold standards, strengthen trust in the profession and build a world-leading professional regulator operating within RICS, thereby contributing to the overall success of RICS.

We have exclusive responsibility for RICS' standards and regulation activities. These include:

- strategy, policy and operational oversight of standards
- entry and admission to the profession (education and qualification standards)
- setting and upholding professional standards (professional standards)
- regulatory operational functions (regulation assurance and operations and the Regulatory Tribunal) and
- the Dispute Resolution Service.

This report focuses on the work of the SRB in 2023, and our future work in 2024 to continue to deliver our strategy.



Our 2023 achievements

Strategic objective: to uphold standards, strengthen trust and confidence in the profession to the public advantage, and build a world-leading professional regulator operating within RICS.

Progressed the review of RICS' model for continuing professional development.

Developed key strategic priorities with the SRB.

Launched the Women in Construction Scholarship.

Launched the Professional Standards Steering Group.

Continued progress, approval and oversight of key professional standards initiatives, such as amendments to Red Book Global Standards to implement the recommendations of the Valuation Review; the Whole life carbon assessment for the built environment standard, which was launched in September 2023; and implementation of the recommendations from the PII review.

Proactively engaged with key stakeholders to build confidence in RICS' regulatory framework, as well as developing confidence through close working within the institution.

Increased the availability of practice support visits and regulatory webinars, including in areas such as valuation compliance and sharing experience and best practice advice from the Professional Support and Assurance teams with RICS members.

Launched a recruitment exercise for the pilot Consumer Advisory Group.

Good operational performance:

- building intelligence-sharing relationships with external agencies
- increased DRS appointments and training
- increased investigation and assurance activities
- increased candidate assessment, enrolment and accreditation programme activities, and
- generating positive appropriate regulatory revenue.

Developed regulatory thought leadership in areas such as the future of AI for regulation. Increased the prominence of international anti-bribery and corruption initiatives, working alongside global leaders such as the OECD and World Economic Forum.

Appointed Alexandra Marks CBE as Presiding Chair of the Regulatory Tribunal, succeeding Sir Michael Burton GBE.

Progressed the Entry and Assessment Review, focusing on how – as a regulator – the pathways and routes for entry to the profession, and competence and suitability for membership, will be defined, shaped and assessed.

Increased the global influence of RICS' leadership in ADR through the work of the Dispute Resolution Service in India, Canada, Dubai, Saudi Arabia and the UK, as well as working to rebuild the service in Australia.

Regulating for a sustainable future: priorities for 2024

Appoint diverse, high-quality and global SRB, consumer advocacy group and Standards Committee.

Implementation of the Entry and Assessment Review's recommendations to ensure routes to RICS membership, the assessment process and the controls on entry to membership are fit for the future of a world-class institution.

Ongoing engagement and regulatory leadership in areas such as global anti-bribery and corruption mechanisms and AI.

Detailed review of SRB's regulatory strategy 'Professionalism in the Public Interest' and global regulatory framework, in order to inform a revised RICS regulation strategy.

Action recommendations of the new consumer advisory group and take steps to help mitigate gaps in the consumer protection landscape.

Build stronger working relationships with other regulators, statutory agencies and law enforcement so that intelligence can be swiftly and effectively shared.

Proactively delivering on the communications and stakeholder engagement plan, ensuring members, the public and stakeholders are clear about our regulatory remit and how we maintain public trust and confidence.

Launch the first regulatory risk and assurance outlook.

Build close collaboration across the institution, supporting the RICS Board:

- undertake a comprehensive review of UK residential sector standards, including home surveys, property management, retrofit and social housing
- adopt and promote the whole life carbon assessment standard
- respond to government policy direction in the built environment
- inspire the next generation, increasing professional advocacy and improving diversity, equity and inclusion
- advance knowledge.

Consultation on a reformed framework for continuing competence and lifelong learning, supporting members with the tools to control their professional development.



Admission to membership

The SRB is responsible for assessments and admission to RICS' membership grades. These responsibilities are delegated to the Qualifications and Assessment Committee (QAC). QAC recommends policies and frameworks for professional competence, entry to the profession and transfer, and provides assurance to the SRB on the education and qualification standards. The purpose of QAC is therefore to ensure RICS' current requirements and processes for admission to membership are appropriate and robust.

This includes overseeing the policies, rules and requirements for membership, ensuring the consistent delivery of assessments, accrediting university degree programmes and approving direct entry routes to RICS membership.

In November 2021, the SRB established the [Entry and Assessment Review](#) to research, design and implement any new assessment processes identified for the profession. While this work is intended to build on previous work, including the *Future of the Profession* and *Defining Our Future* reports, it specifically focuses on entry and assessment.

In order to ensure success, the SRB established the Entry and Assessment Steering Group (EASG), led by Sarah Hutchinson, to oversee the review and make recommendations on future entry and assessment frameworks. The EASG published an [interim report](#) in May 2023.

The EASG will publish its final report in mid-2024. Tested through extensive surveys and round tables, and in consultation with specialists, members and stakeholders, this report will make substantial recommendations for new entry requirements and processes that are more accessible and inclusive, and raise the standards of surveying competency assessments. The recommendations will include changing both pathways and disciplines that will be assessed at the point of entry to membership, as well as changes to assessment methodologies.

'Our responsibility to future surveyors, and the society that will benefit from their work, means that we must ensure the standard of entry to RICS membership assesses the right skills, knowledge and behaviours, in the right way.'

Sarah Hutchinson, Chair of Entry and Assessment Steering Group



Enrolment

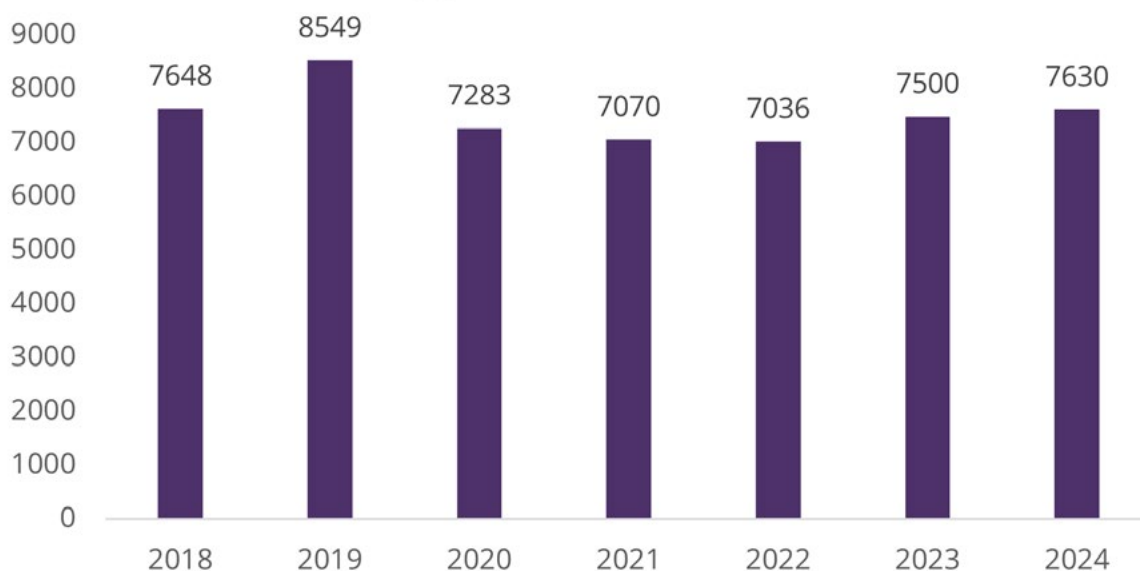
In 2023, 7,500 trainees and candidates enrolled for associate or member assessment, the highest number since the 2019 calendar year.

Approximately two-thirds (65%) of candidates enrolled in the UK, a 9% increase on the annual average since 2015. The next highest regions for enrolments were the UAE and Hong Kong. While the number of candidates overall is largely stable, RICS has seen a decline in the number of new trainees and candidates in Europe, China and India. However, we are pleased that the Chartered Surveyor Degree Apprenticeship continues to be one of the highest-volume apprenticeships in England and Wales.

The most chosen pathways for enrolment were quantity surveying, commercial property and building surveying, project management and valuation.

In 2024, we expect the number of enrolments to increase further still to 7,630.

Global enrolments by year



Assessments

4,591 MRICS assessments took place in 2023, 63% of which were in the UK. While this is lower than the pre-2020/COVID pandemic high of 6,412 MRICS assessments, it is an increase on the number of assessment interviews that took place in 2021 and 2022.

The increase in assessment numbers is in part due to the number of candidates who delayed their submissions during the COVID period, due to the impact the pandemic had on their ability to gain relevant work experience. 2023 also saw the successful implementation and launch of the new [Assessment Platform](#), replacing the previous Assessment Resource Centre.

There were also 577 associate assessments, of which 504 were in the UK. In 2024, we expect to undertake 5,500 MRICS assessments. Our ability to keep pace with the increase in applications for assessment, and maintain a high-quality experience for all candidates, was affected by a reduction in the number of members volunteering to assess, particularly for chartered surveyor assessment interviews.

In 2023, there was an increase in the number of assessors who were unavailable (25% of assessors are currently 'active') or who have withdrawn due to the pressure of work. An increase in the number of withdrawals was a challenge in the 2023 UK sessions, where 157 candidates' assessments were postponed in the March–August session and 62 were cancelled in the September–February session.

During the autumn/winter assessment session, 2,022 candidates completed the application form and 1,611 candidates submitted valid submissions for assessment. This is the highest post-COVID session number, and took the total number of UK 2023 MRICS assessments to 2,958.

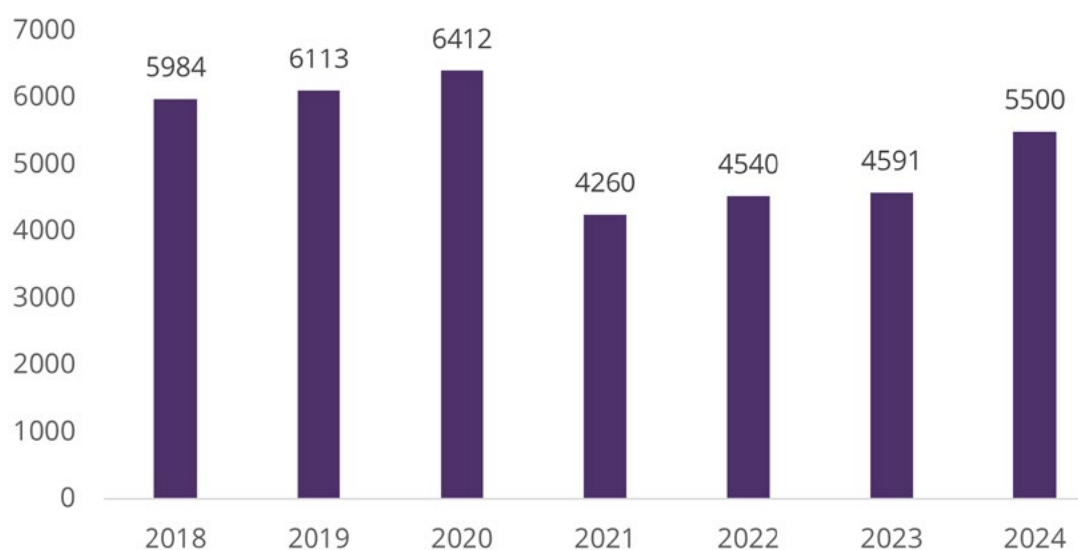
Of the 2,919 assessors in the UK, 871 provided availability. Of those, 29% subsequently withdrew at least some of their availability. With the support of a smaller group of assessors, and adapting a number of our processes (including increasing the timeframe available for the assessment window), 98.8% of candidates were assessed during October–December 2023, with the remaining candidates scheduled for assessment in 2024. We trained 497 new assessors to support MRICS final assessment interviews in 2023.

'It is great to see growing demand from new applicants joining RICS, although our ability to provide a good assessment experience is increasingly challenged as we rely on volunteer members to assess. We continue to train more assessors for this important task, but remain challenged by industry pressures and demands on members who give their time to support this process.'

Keith Thomas FRICS
Chair of RICS Qualifications and Assessment Committee
Steering Group



Global MRICS assessments by year



Accreditation

In 2023, 28 university accreditation meetings took place, reviewing 153 undergraduate and postgraduate degree programmes.

There was a widespread return to on-campus university accreditation meetings during 2023. The Accreditation Review Panel continues to work through a combination of postponed accreditation activities from 2020–22, as well as considering new programmes for accreditation. The number of programmes reviewed will increase through 2024, as additional resources are allocated to this area.

Accreditation of undergraduate and postgraduate degree programmes involves working with education providers to recognise programmes relevant to a career in surveying. RICS accreditation demonstrates a globally-recognised standard of surveying education. Programmes are required to demonstrate RICS' [requirements and criteria](#) in order to meet our education standards.

We continue to work closely with the Institute for Apprenticeships and Technical Education on the delivery and quality assurance of the surveying technician and chartered surveyor degree apprenticeships, as well as the Quality Assurance Agency for the review of the land, construction, real estate and surveying subject benchmark statement.

In 2024, we expect to review 56 universities and 248 undergraduate and postgraduate degree programmes for accreditation. We also expect to review 20 direct entry routes.

Professional standards

The Professional Standards directorate is responsible for three functions:

- developing and maintaining professional conduct standards
- approving all professional conduct and technical standards, and ensuring the standards framework is fit for purpose, and
- maintaining and developing our regulatory policy, including our consumer protection requirements.

During 2023, we restructured our team to reflect governance changes, with the development of technical standards being separated from the SRB's assurance and approval of those standards. We recruited a new Professional Standards Steering Group, comprising individuals with legal, accounting, regulatory and consumer advocacy experience, to support this assurance and approval function.

We provided support for the development of new rotation requirements included in the amended UK national supplement to the Red Book. These require the regular rotation of valuers and firms undertaking specific types of valuation in the UK that are used by investors to support financial reporting and markets, and will provide stronger protection for the objectivity of those valuations. We also ensured the timely approval of the updated **whole life carbon assessment standard**, which RICS is using to ensure governments and companies can trust the consistent measurement of carbon throughout a building's life cycle.

In 2024, we will be piloting an approach to getting greater input into our work from consumer organisations and advocates. We will also be making recommendations to the SRB, following the consultation at the end of 2023 on proposals to improve the regulation of valuers and valuation firms, in order to continue to drive strong ethics, compliance with standards and technical competence. This work will include the recruitment of a Valuation Assurance Committee to provide expert leadership and advice on valuation assurance and compliance to the SRB.

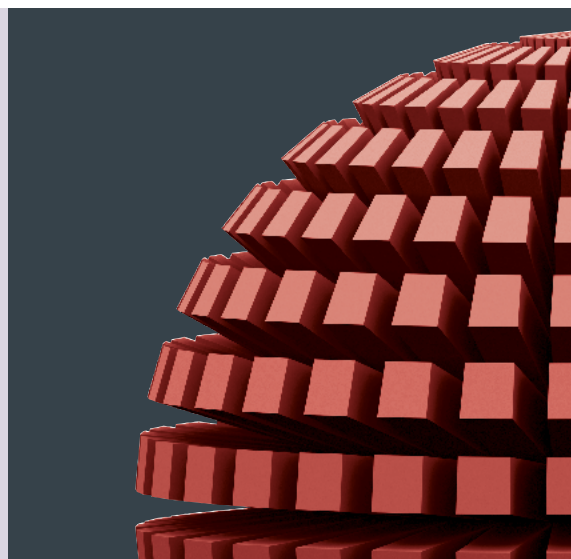
We continue to liaise with professional indemnity insurers and insurance brokers to support the availability of professional indemnity insurance (PII), which we know is still a challenge for regulated firms, although we are seeing insurers return to the market. We will also be exploring how we can share more information and data on regulatory risk with our firms and stakeholders, in order to support them in managing risk and provide more transparency on our regulatory policy approach.

Valuation review

Work continued throughout 2023 on implementing the Valuation Review and strengthening the independence and objectivity of valuations. During the year, we worked closely with professional practice colleagues to introduce new standards in the UK, which require the rotation of valuers undertaking valuations that are relied on for investment or reporting purposes.

The Red Book UK national supplement was published on 19 October 2023 and became effective on 1 May 2024.

To access the supplement and other valuation standards, visit [our website](#).



We have also consulted the public, valuers and firms on the proposed introduction of a valuation compliance role and a register of valuation firms to support this proposal. We have reviewed the consultation responses and the SRB will decide how to implement this recommendation in 2024, with the support of the new Valuation Assurance Committee, which will also be recruited in 2024.

CPD Steering Group

‘Robust valuation is fundamental to confidence in the property market, which underpins so much of the economy. The changes to the Red Book UK national supplement provide for a compulsory rotation cycle when valuing an asset for regulated purposes. The changes provide certainty and clarity for valuation firms and responsible valuers.’

Richard Waterhouse FRICS
Chair of RICS Professional Standards Steering Group



We have also supported the CPD Framework Steering Group in reviewing the existing CPD framework for RICS members and research models in other professional bodies. The Steering Group launched a survey of members, which closed in December 2023, and is building proposals to improve the CPD framework, which will be consulted on in 2024.

‘The CPD Framework Steering Group recognises the huge importance of continuing professional development – both for members in maintaining and improving their knowledge and skills, and for the public and upholding their confidence in the profession. The group has been carefully reviewing existing RICS requirements, researching other global CPD models and gathering extensive feedback from RICS members, with a view to developing a more effective framework that’s fit for the future of the surveying profession. We look forward to gathering further member views on this as we issue a proposal for a revised CPD framework for consultation.’

Peter Smith FRICS
Chair of RICS CPD Framework Steering Group



Webinars and podcasts

We delivered webinars and podcasts to help the profession comply with RICS professional standards and UK legislation on anti-money laundering, and with questions about professional indemnity insurance. We also launched a list of experienced insurance brokers on the RICS website, and continued to liaise closely with insurers to support the availability of insurance for RICS-regulated firms.

To find all of our podcast episodes, please visit the [RICS Podcast](#).

Diversity, equity and inclusion (DEI)

We have been working with the DEI team at RICS, and DEI professionals from RICS-regulated firms, to develop advice to support firms in applying Rule 4 of the [Rules of Conduct](#) and encouraging an inclusive culture. This advice was published early in 2024, but was supported by a series of DEI-focused podcasts in May 2023.

Alternative dispute resolution (ADR)

Following a competitive tender process, we renewed CEDR's contract to act as the default ADR provider for regulated firms in the UK. This ensures that all RICS-regulated firms and their clients have an ADR provider available to them for all types of surveying work.

Priorities for 2024

During 2024, we will be supporting the SRB in its review of its regulatory strategy 'Professionalism in the Public Interest' and the global regulatory framework, including a review of the global standards framework and a careful review of RICS' regulatory schemes.

We have recruited members of a new pilot consumer advisory group, which will provide better consumer insight into our standards and regulatory model in order to shape its development in the public interest. One of the group's first activities will be to review the availability of professional indemnity insurance in the market.

We are also working on improved resources to support our members and firms in combatting corruption and money laundering globally.

Regulation and assurance operations

All candidates, trainees, individual members and registered firms are regulated by RICS. In 2023, we monitored 9,892 regulated firms, 140,070 individual professionals and trainees, and 15,966 Registered Valuers globally.

From first enrolment with RICS, all individuals and registered firms are subject to compliance with the RICS Royal Charter, Bye-Laws, regulations, rules and standards.

RICS also has regulatory schemes for individual members and registered firms who meet the eligibility criteria for scheme registration. The most notable schemes are the **Valuer Registration** scheme (for individual members undertaking valuations), **Firm Regulation** (for firms globally who meet the mandatory or minimum eligibility requirements for firm registration) **Client Money Protection Scheme** (for registered firms in the UK who hold client money) and the **Designated Professional Body** scheme (for registered firms in the UK who undertake general insurance distribution activities).

Our activities

We support the profession, underpin consumer and wider public confidence, and uphold professional standards through regulatory activities and assurance programmes. This includes the following.

Support members with annual CPD compliance

The team support the annual CPD compliance campaign through communications to members to remain compliant, and support with completing and uploading their CPD records on the RICS portal, as well as passing exemptions for members where appropriate. In 2023, the team finalised the 2022 CPD compliance campaign, with a global compliance rate of 96.28%.

Support members and firms through registration and renewal for regulated schemes

The team support the registration, deregistration and annual return process for individuals and registered firms on regulatory schemes.

Annual returns provide RICS with information on activities undertaken by scheme members in the preceding year, declarations relating to PII and general compliance obligations. In 2023, the team supported over 5000 requests for assistance relating to registrations, deregistrations and annual returns.

Operate the Client Money Protection Scheme (CMPS) in the UK

This scheme provides protection, as a last resort, in instances where an RICS-regulated firm is unable to repay a client's money, up to the limits and exceptions set out in the scheme rules. RICS' CMPS is split into two parts:

- general client money protection, covering client money held by firms undertaking any surveying activities (client money protection for surveying services), and
- residential agency activity in England protection, covering areas under [The Client Money Protection Schemes for Property Agents \(Approval and Designation of Schemes\) Regulations 2018](#) (client money protection for residential agents).

During 2023, the registration and CPD team received and processed 16 claims regarding CMPS insurance to a value of £66,972.34.



Member support visits and regulatory review visits of scheme members

The **professional assurance programme** comprises a range of quality monitoring activities to assess the performance of RICS professionals and firms against RICS mandatory standards and, where necessary, support them back into compliance. This is done through member support visits and regulatory review visits.

In 2023, we conducted 320 member support visits and regulatory review visits. We reviewed regulated firms holding client money to a value of more than £250m.

We also provided regular workshops and webinars for the profession. These are interactive sessions RICS members can book for a day and a scheme that suits them via the RICS website. Members get real-time advice and help with compliance with the scheme being presented on. These sessions have been incredibly well received by attendees. In 2023, we held 46 workshops and webinars, reaching 246 regulated firms and over 2,500 members.

'Really enjoyed the presentation in terms of content and style, and really useful real-life examples; a must in my opinion. Thank you all!'

'Thank you for the helpful and constructive way that you handled the review. I found the format helpful, constructive and guidance-oriented. As the owner of a small, busy consultancy, I found this approach very helpful and supportive.'



Disciplinary process

RICS investigates reported concerns relating to potential breaches of the *Rules of Conduct*, applicable standards and RICS members' professional obligations for potential disciplinary sanction.

Where appropriate, concerns will be referred to an investigation, in order to fully understand the background and context to the allegation.

This is established through assessing the initial concerns received, reviewing the evidence, making relevant inquiries and seeking further evidence from the member/regulated firm and the person raising the concern. If necessary, the investigator will also potentially seek expert opinion (whether from chartered surveyors or other appropriate experts), and ask the member or regulated firm for an explanation/response to the allegations.

RICS' regulatory remit does not extend to resolving disputes or awarding compensation. If, at the conclusion of the investigation, it is decided that there is sufficient evidence to support a realistic prospect of 'a finding of liability to disciplinary action', the Head of Regulation may decide to commence disciplinary proceedings. The Head of Regulation may also decide to take no further action, advise further investigation or refer the matter to the Regulatory Tribunal for consideration and determination.

RICS' Regulatory Tribunal is independently led by its Presiding Chair, Alexandra Marks CBE (independent member), appointed in September 2023 to succeed Sir Michael Burton GBE. It consists of both independent members and RICS members, who form three-person panels or sit as single decision makers, and independently determine regulatory cases, including disciplinary cases against RICS members and firms. The Regulatory Tribunal is operated at arm's length from the rest of RICS' regulatory operations to ensure its independence as an effective and fair regulatory decision-making body.

If an allegation is found proved by the disciplinary panel, they will go on to consider whether the regulated member is liable to disciplinary action and, if so, what regulatory (disciplinary) sanction is needed in the public interest. Disciplinary panels can issue sanctions including a caution, fine, conditions or an order to expel or deregister the regulated member.

'Overall, I have been impressed by Regulatory Tribunal members' commitment to their role, as well as their engagement with RICS staff, legal assessors and each other. We seek continuous improvement to the way we carry out our regulatory function in the public interest and for the benefit of regulated members, RICS, the profession generally and the public as a whole.'

Alexandra Marks CBE
Presiding Chair of the Regulatory Tribunal



For more information on each stage of the disciplinary process, and how we investigate and make decisions on concerns that we receive, please visit our website:

- [How to raise concerns about members or firms](#)
- [How we investigate concerns](#)
- [Guidance for RICS members on their professional duty to report concerning behaviour or practices of other members](#)



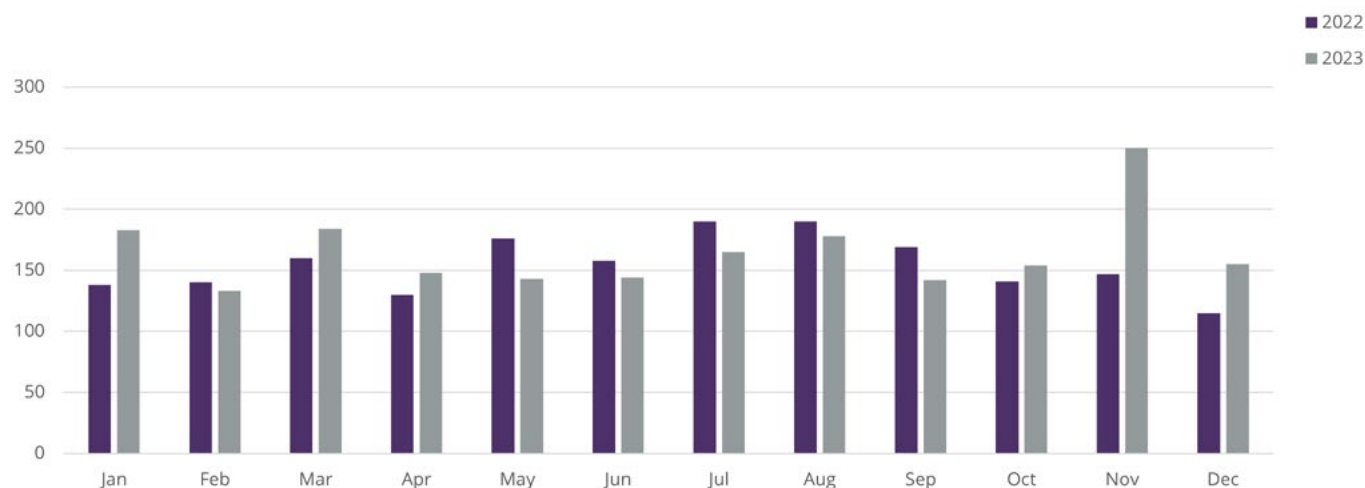
In 2023, we noted a significant increase in the number and complexity of concerns received, and that our number of ongoing investigation cases had doubled from pre-COVID figures.

Resourcing the increasing number of concerns and investigations has been challenging.

In response to increased concerns in specific areas of surveying practice, RICS issued regulation [Practice Alerts](#) relating to UK Property Management (February 2023) and UK Home Surveys (June 2023).

In 2023, the Regulatory Tribunal dealt with 98 cases, including 14 disciplinary panel hearings, 11 interim measures hearings, 3 registration panel hearings and 70 single member decisions. 118 sanctions were issued (more than one sanction may be issued in a case).

Concerns raised in 2023 and 2022



Dispute Resolution Service

RICS, through its Dispute Resolution Service (DRS), is the world's oldest and largest provider of ADR services in the land, property and construction industries. Over the last five decades, DRS has appointed dispute resolvers in nearly a quarter of a million cases internationally. DRS helps RICS serve the public interest, as required by its Royal Charter, by resolving around \$2 billion US dollars' worth of disputes every year, keeping cases out of the courts and providing the parties with cheaper and more efficient access to justice.

We inspire confidence through our complete impartiality, and the quality of our dispute resolvers and expert witnesses. We also provide the leading built environment-specific ADR education in the world, through a wide range of diplomas, distance learning and face-to-face programmes. Our training is designed not only for people who want to work as dispute resolvers, party representatives and expert witnesses, but also for the growing number of built environment practitioners who recognise how valuable dispute resolution skills are in their day-to-day professional lives.

Looking back to 2023 and forward to 2024, the focus of DRS is on providing government organisations, firms and members of the public in the UK and around the world with better and cheaper means of avoiding and resolving their dispute than going to court.

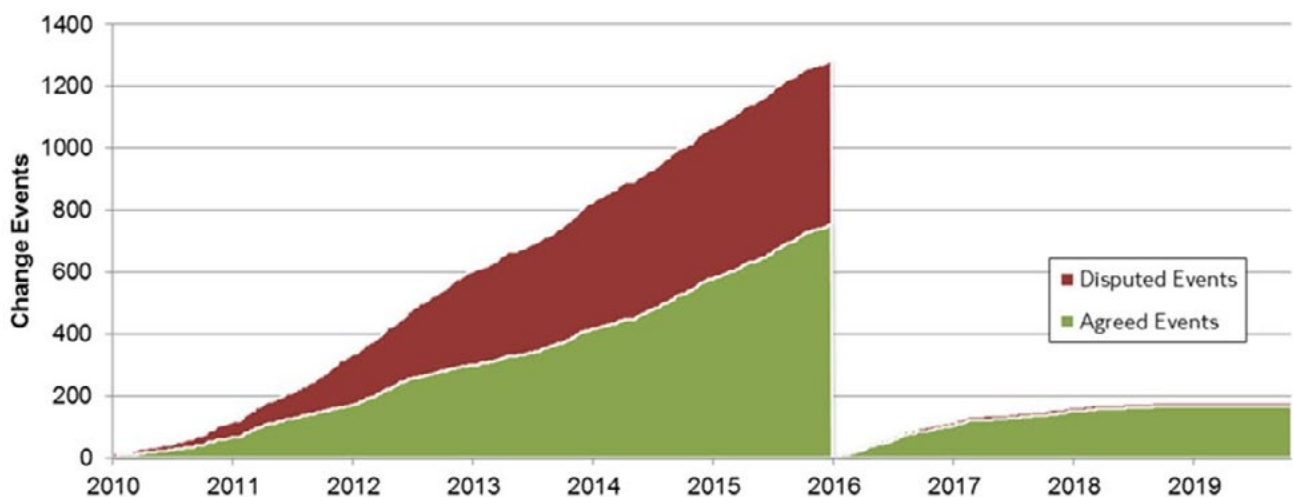
In doing this, we generate vast amounts of work for RICS members acting on tribunals and as party representatives, raise the profile of RICS as an institution in the rapidly expanding global ADR sector and spearhead innovative thought leadership being put into practice across the land, property and construction sectors.

Our work has ranged from collaborating with Indian, Chinese and MENA governmental agencies, to assisting with reducing costs on major infrastructure projects and working with [Which?](#) in the UK to provide a low-cost adjudication process to underpin its Trusted Trader service.

In the UK, we are making 2024 the year of adjudication. We are proud to have announced the joint winners of the first RICS Women in Construction Scholarship; we are holding user outreach events; we have revitalised our sector-leading competency programme for all our panel adjudicators, led by our most eminent practitioners; and we will be recruiting new adjudicators onto the RICS President's Panel in the autumn as we seek to ensure its continuity and greater diversity.

DRS is also looking forward to the 400th major organisation signing the RICS Conflict Avoidance Process (CAP) Pledge. The Pledge is a DRS initiative that was incorporated into the Government Construction Playbook in 2023 and has become accepted across the UK construction industry, replicating the experience that Transport for London (TfL) had when it trailblazed the use of RICS CAP back in 2016.

A picture paints a thousand words, and TfL's graph showing the impact of the RICS service has never been bettered:



DRS appointment service

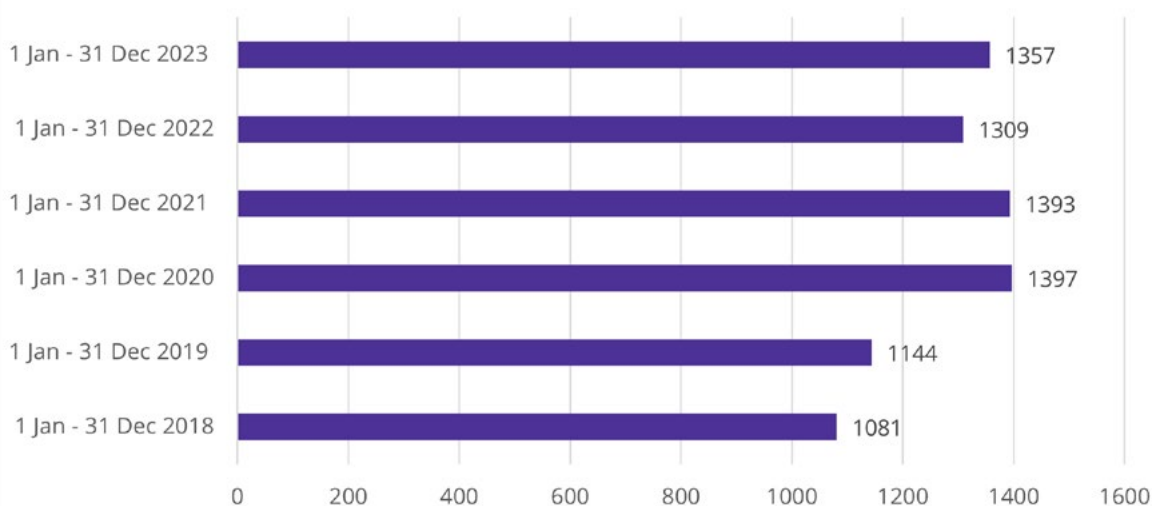
At its heart, DRS provides the built environment sector with a private judiciary. When we appoint a dispute resolver such as an arbitrator (often in a multimillion-pound case), their decision is final and binds the parties with fewer opportunities to appeal than in a court of law. This is a weighty responsibility, which DRS takes very seriously.

Our appointment service is therefore underpinned by robust quality assurance processes, which ensure our panellists are operating to the highest professional standards. This strengthens trust in the profession and in ADR more generally.

In 2023, the DRS appointment team processed over 3,300 individual applications for appointments. While this process generates significant revenue for RICS, its real significance lies in the professional fees charged by dispute resolvers appointed by DRS, nearly all of whom are senior RICS professionals acting as party representatives in these arbitration and adjudication proceedings.

DRS currently hold 60% of the market share for appointing adjudicators in the construction sector in the UK, and maintaining this share and positive reputation is of great importance. Therefore, focusing on our adjudication offerings – including improving service and user experience over 2024 – is a high priority. When the pandemic struck in 2020, we experienced a strong growth of 22% for adjudication disputes referred to RICS. As the world began to normalise, the market experienced some cautiousness in the construction industry, mainly due to an increase in the cost of materials across the sector, so disputes dipped slightly by 6%, but we are now seeing a rebalancing. DRS must continue to nurture this growth and market share, so in 2024 will focus on our user experience, as well as developing our international adjudication, which currently operates in the Canadian province of Alberta and the Oceania region.

Annual adjudication application volumes



One of our greatest successes is the RICS Conflict Avoidance Process (CAP). CAP is a mechanism we created that can be used to resolve issues which have the potential to grow into expensive disputes early, quickly and in a cost-effective manner. In 2023 we were approached, separately, by two of the UK's largest infrastructure organisations wanting to utilise CAP. We appointed technical experts to help the organisations manage and resolve a wide range of issues.

'CAP offers a number of advantages over other forms of dispute resolution. In particular, potential disputes can be nipped in the bud before they escalate, meaning that working relationships can be maintained and legal costs can be minimised, if not avoided altogether.

Furthermore, CAP offers complete flexibility in the processes that can be adopted, from the CAP member going through contentious areas of an account with the parties' quantity surveyors to assist in reaching common ground, to written submissions by the parties following which a non-binding written recommendation can be made by the CAP member.

Mediations, whether they are facilitative, evaluative or a combination of the two, can also be adopted alongside other non-binding processes, all being dealt with by the same CAP member or members. For example, I am currently appointed on a matter where the parties are using a combination of these processes, as well as a combination of single-person and three-member CAPs, and the parties benefit from having the same CAP members involved.

I have no doubt that the use of CAP will grow in the UK and beyond, as parties appreciate the advantages it can offer.'

Jonathan Cope

Adjudicator | Arbitrator | Expert Determiner | Mediator | CAP Professional

Education and training

The DRS education team ensure that all our training programmes are of the highest quality, up to date and accessible. DRS protects the public by ensuring that the standard of delegates qualifying from its courses and serving as dispute resolvers and expert witnesses is reliably and consistently high.

We currently offer six key training programmes:

- Diploma in Adjudication
- Diplomas in Domestic and International Arbitration
- Mediation Training Programme
- Expert Witness Certificate and Certificate in Expert Determination
- Foundation Certificate in ADR
- Dispute Resolution Programme for Advisers and Party Representatives.

In 2023 internationally, we trained over 460 delegates, generating over £800,000 in revenue.

There was a notable rise in concerns about the quality of expert witness functions being brought to the attention of RICS, which prompted the issuing of a [Practice Alert on expert witnesses](#) in February 2024. Greater focus will be placed on offering support, training and accreditation to members who act as expert witnesses through DRS training. We saw growth in this training, especially at the start of the pandemic. There was a lull in 2022 as lockdown restrictions eased, but we have once again seen an appetite for expert witness training. As the concerns from the Practice Alert embed, this training is forecast to grow further in 2024.



To meet the needs of the industry, we have focused on developing our new flagship Dispute Resolution Programme for Advisers and Party Representatives. This is a world first and is underpinned by an upcoming RICS professional standard for party representatives. The first module of this programme launched in November 2023 and sold out immediately, with a second run taking place in late January 2024. This groundbreaking programme covers the spectrum of roles involved in advising and representing a client in dispute, from initial advice to properly presenting the client's case before various ADR tribunals, and is open to related professions such as engineers and architects. The programme is competency-based and designed to help delegates develop the skills they need to properly advise and represent their clients in this field.

A good overview of dispute resolution methods and procedures and related legal method. Laid firm foundations for more detailed training in DR advisory and party representation roles.'

Wendy Coggan
RICS member and delegate

As part of our drive to encourage and support women in the construction industry to engage in adjudication, DRS invited applications for a Women in Construction Scholarship. This scholarship offers a unique opportunity to women in the UK construction sector: a free place to complete the RICS Diploma in Adjudication. Applications closed on 31 December and we were delighted to receive 33 applications. These were reviewed by a panel of industry judges, and the joint winners were announced in May 2024.

'The diploma solidified my interest in dispute resolution and went a long way to getting me a position with my current employer.'

Claire McCarry
Director, Quigg Golden

Development and research

In 2023, DRS worked to bring our appointment services and existing and bespoke training programmes to the global market, as we focused on Canada, China, India, the Middle East, Oceania and the UK consumer sector.

DRS began their partnership with ADRIC (ADR Institute of Canada) and ADRIA (ADR Institute of Alberta) in 2021 by developing an adjudication service in Alberta. In 2023, DRS (in partnership with ADRIC and ADRIA) was made a Nominating Authority by the Alberta government. Statutory adjudication is an entirely new process for the province, so for RICS to be part of its development there mirrors our role in the UK when adjudication started 25 years ago. We hope the construction industry in Canada will take to adjudication as it has done in the UK, where DRS currently makes nearly 70% of the country's adjudication appointments.

In China, DRS signed a Memorandum of Understanding with ICDPASO, the official body responsible for ADR for the One Belt One Road initiative. This has the potential to raise awareness of RICS as a professional body in all the countries to which the initiative extends, as well as consolidating our reputation in mainland China itself.

In response to growing demand, DRS has been exploring possibilities for dispute board training and appointments in the Middle East and North Africa (MENA) region. Regional stakeholders are committed to the use of FIDIC (Fédération Internationale Des Ingénieurs-Conseils) dispute boards on capital works projects, and DRS has developed a bespoke mechanism for classifying industry involvements to increase the use of local practitioners on dispute boards, rather than importing them from abroad at great expense to the parties.

In Australia, we are pursuing a strategic plan for DRS to be reviewed and revitalised. We started by hosting a series of outreach sessions for Oceania RICS members, industry stakeholders and existing panel members to design and develop an improved service in the region.

Focus on our work in India

In 2023, we partnered with the India International Arbitration Centre (IIAC) to provide international and domestic arbitration in India. A Memorandum of Understanding was signed between the organisations, under which we will collaborate to deliver training to arbitrators in construction and infrastructure arbitration, and to establish an arbitration appointment service in India. We have already created an arbitration panel of two dozen senior RICS surveyors in India, a number of former justices of the Indian High and Supreme Courts, as well as our leading construction arbitrators from the UK. The service is designed to serve the public interest by providing cost-effective and sector-expert arbitration for individuals and businesses in the Indian construction sector, reducing the logjam and exorbitant costs in the current system.

‘The collaboration between the IIAC and RICS having 150 years of history and international reputation in administering dispute resolution, especially arbitration, in the built environment sector will help IIAC to ensure its credibility as a specialised institution in arbitration and mediation.’

Justice Hemant Gupta
Chairperson, India International Arbitration Centre



Government, member and stakeholder engagement

In 2023, we have continued to engage with government, members and stakeholders. Some of our key activities included:

- We contributed to the UK government’s consultations on a review of the *Arbitration Act* 1996. The King’s Speech in November 2023 announced there will be a new Arbitration Act, which will likely become law before summer 2024 recess.
- We led the RICS response to the Ministry of Justice consultation on increasing the use of mediation in the civil justice system. In May 2023, the government made mediation mandatory for parties involved in small claims actions, which we welcomed.
- We responded to an OFCOM consultation that considered how an ADR element of the *Product Security and Telecommunications Infrastructure Act* 2022 could be operated. We worked with expert members to prepare information on ADR for the sector, and will run online workshops for operators and site providers.
- The *Electricity Transmission (Compensation) Act* 2023 came into force in May 2023. DLUHC invited us to participate in its ADR Taskforce for Electricity Network Infrastructure and draw up proposals for an effective ADR process to determine disputes about compensation payable to landowners, in cases where land is acquired for erecting pylons and other electricity transmission infrastructure.
- We worked closely with the Construction Industry Council on the relaunch of low-value adjudication initiative.
- We continued our work with the Compulsory Purchase Association on promotion of the RICS ADR Service for CPO disputes and will relaunch the service at an event in early 2024.
- Our work with the National Connectivity Alliance and RICS Telecom Experts Group on the promotion of RICS’ ADR service for the telecoms sector continues apace.

Delivering confidence

We are RICS. As a member-led chartered professional body working in the public interest, we uphold the highest technical and ethical standards.

We inspire professionalism, advance knowledge and support our members across global markets to make an effective contribution for the benefit of society. We independently regulate our members in the management of land, real estate, construction and infrastructure. Our work with others supports their professional practice and pioneers a natural and built environment that is sustainable, resilient and inclusive for all.

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