Reference	BOT21.MAY.16
Date	Wednesday, 26th May 2021

Board of Trustees

Going Concern Declaration

Report from the Chief Operating Officer

FOR DECISION

The Board of Trustees is asked to agree the recommendation of the RTPI SET endorsed by the Finance Committee and the Audit Committee that there are no material uncertainties related to events or conditions that may cast significant doubt about the RTPI's ability to continue as a going concern.

1. Background and Summary

1.1. 'Going Concern' is a concept whereby organisations prepare their financial statements, under the assumption that they can continue their operations for the foreseeable future. It is assumed that the company does not have the intention, or need, to liquidate its assets.

1.2. The RTPI's accounts are prepared on a 'going concern' basis of accounting, assuming that the Institute will continue its activities for the foreseeable future. The trustees have a duty to consider whether there are material uncertainties about their charity's ability to continue as a going concern.

1.3. Under the SORP (Charities Statement of Recommended Practice), the trustees should assess whether their charity can continue its operations and meet its liabilities as they fall due for a sufficient post-year-end period. This is commonly deemed to be at least 12 months from the date of signing of the annual accounts. In RTPI's case, as the Trustees will sign the accounts in their meeting on 26th May, the post-year-end period would be until the end of May 2022. If the Trustees conclude there are any uncertainties, these should be reported in the annual report.

1.4. The auditors of charities also have a responsibility to consider whether there is a material uncertainty about the charity's ability to continue as a going concern and, if necessary, to draw the reader's attention to the situation by explaining in their audit report.

1.5. In line with good practice the Audit Committee played a key role in independently verifying the institute can meet obligations and continue as a financial viable entity and reported the same to the auditors at their meeting on April 28th in time for the Trustees meetings with the auditors on May 26th. On March 10th the RTPI Finance Committee evaluated the evidence from the RTPI Senior Executive Team (SET) and endorsed the Going Concern evaluation presented by them.

2. SET Recommendations to the Board of Trustees

The Board of Trustees is asked to note the following considerations, presented to the Finance Committee and the Audit Committee from the RTPI SET in support of evaluating the 'Going Concern Principle':

- Assuming the 'Going Concern', the Institute has adopted a ten-year corporate strategy 2020-2030, and is working towards accomplishing the corporate strategy priority projects. In 2021 a move will be made from an annual budget to a three-year financial strategy commencing in 2022.

- There have not been identified, any possible events or scenarios that could lead to the Institute's failure to perform in a foreseeable future from the date of signing of this years' accounts until the date of signing of next years' annual financial statements.

- The overall membership retention rate for 2020 remained high at 93.2%. As a result, the RTPI has increased its membership numbers and membership revenue during 2020 despite the effects of a global pandemic. It now has 26,000 members, the highest number in its history.

- The 2020-year end accounts report a surplus of £175,228 on the general reserve despite an overall reduction of income by 14%. Strong cost control ensured a corresponding reduction in activity costs by 18%. In 2020 the RTPI Board of Trustees approved a break even budget for the 2021 year:

	Year ending 31/12/19 (£k's)	Year ending 31/21/20 (£k's)	Year ending 31/12/21 (£k's)
Total Income	7,607	6,202	6,895
Total Expenditure	7,157	6,027	6,891
Surplus (deficit)	450	175	4

- A cautious approach was made to 2021 financial plans and it was assumed that membership numbers would decline by 4% as a result of the pandemic. Financial plans also assumed there would be restrictions to activities throughout the first six months of 2021 an approach justified by the subsequent introduction of a third 'lockdown' in January. The RTPI SET continues to monitor the impact of the pandemic closely and will adjust operational strategies in response.

- The RTPI has robust reserves and investment policies and benefited from strong investment returns in 2020 which easily outperformed the FTSE 100 and marginally outperformed other funds in the market. The RTPI Trustees have acknowledged excess reserves and have identified an investment opportunity through the ten-year corporate strategy programme of activity. The budget general reserves position agreed by the Board of Trustees for 2021 is as follows:

	Year ending 31/12/19 (£k's)	Year ending 31/21/20 (£k's)	Year ending 31/12/21 (£k's)
General Reserve	7926	7861	7865

- As a heavily business dependent on employees and volunteers the impact on the ability to retain and attract employees and volunteers is monitored closely. There are no anticipated threats to the availability of employees or volunteers to deliver member services or charitable activities.

- The SET maintains and reviews a Risk Register. This register is presented and discussed by Trustees at every meeting. The Risk Register was revised during 2020 to take account of the

new Corporate Strategy published in January 2020. The Risk Register reflects the strategy and main objectives to ensure they can be achieved. The review also took account of the global pandemic and whilst there has been limited impact on member numbers this is being monitored closely. The Risk Register has been built into Service Plans which are the framework for operational delivery for the RTPI, to ensure it is embedded in operations across the Institute.

3. Health and Safety Implications

There are no health and safety implications.

4. Equality and Diversity Implications

There are no equality and diversity implications.

5. Resource Implications

There are no resource implications.

6. Governance and Compliance Implications

Applicable provisions from Charities SORP (FRS 102): Provision 3.14: Charities normally prepare their accounts on the basis of being a going concern. The trustees must make their own assessment of their charity's ability to continue as a going concern to assure themselves of the validity of this assumption when preparing their accounts. In making this assessment, a charity's trustees should take into account all available information about the future for at least, but not limited to, 12 months from the date the accounts are approved.

7. Communications Implications

There are no communication implications.

8. Corporate Strategy - Climate action

There are no Climate Action impacts.

9. Corporate Strategy - GROWPLAN

There are no direct implications to 'GROWPLAN', however, as a going concern organisation, it builds trust on the stakeholders of the RTPI and hence would indirectly support growth strategies.

10. Corporate Strategy - Digital Transformation

There are no Digital Transformation implications.