

## **Association for Consultancy and Engineering (ACE) – Written evidence (FTS0061)**

The Association for Consultancy and Engineering (ACE) champions the built environment, representing the views of around 450 members. Our members employ over 60,000 in the UK and 250,000 worldwide, contributing more than £15 billion to the UK economy, and provide design and engineering skills for the full range of built environment projects, including both national and local transport projects.

The UK is predominantly a service economy and while financial services has attracted most attention in the discussions around the FTA, the broader professional services sector, of which engineering and design consultancy is an important part, is very different in its business models and ways of working. It is also a sector where the UK is recognised to have world-leading expertise and British consultancies are active in infrastructure and built environment work across the globe.

In the remainder of this evidence we have responded to the questions that are most relevant.

### **What is the impact of the UK-EU free trade agreement on trade in services?**

On the face of it the trade in services is encouraged by the free trade agreement (FTA) for example through the prohibitions on local presence requirements and the allowance for visa-free business travel for periods of under 90 days. In practice though it should be noted that this broadly positive high level approach is complicated by the fact that the agreement leaves most of the detail either to individual Member States or to future amendments to the FTA or under its auspices – for example on data protection or mutual recognition of qualifications. This creates ongoing uncertainty for firms in a sector where a visible and coherent pipeline of future work opportunities is important for company viability.

Having said that at this point there is a fairly low level of concern coming through from ACE members as to the impact of the FTA. There is a recognition that it is difficult to know how significant any of the challenges from the end of the transition period and the FTA will prove to be as Covid is effectively precluding business travel at the moment.

### **What effect will arrangements on the mobility of professionals have on trade in services between the UK and EU?**

This is one of the most significant issues. The value added to clients is often predicated on firms' ability to combine specialists and skill sets into agile teams

which can often be drawn from different countries. The changes to business travel as a consequence of end of the transition period and the FTA could therefore be important and firms need to consider both will need to consider both the ease of physical movements of people between the UK and the EU and their ability to carry out their professional services when they arrive at the destination.

There is no obvious 'showstopper' in terms of mobility of professionals but there are a number of issues where the uncertainty and potential complexity of the new arrangements could create some challenges.

- **Short term business travel:** While this is broadly facilitated by the FTA (eg the ability to undertake business visits for up to 90 days without a visa) there are a number of caveats and it is not entirely clear whether for example an employee who travels from the UK to a Member State (MS) to work for a short period with a team of colleagues in that MS client project would be exempt from visa and work permit requirements as there could be some ambiguity over whether such a visit counted as attending meetings or as undertaking paid work.
- **Work permits:** Where a MS did require a work permit a further factor will be that many Member States require proof that the employer has already attempted to fill the role locally, eg records that show that the role has been advertised and interview records to be retained. In addition the local branch of the consultancy in that MS would need to register as a 'sponsor' with the Ministry of Employment or similar before applying for a work permit.
- **'Service Level Agreements':** There is an allowance in the FTA for business travel needed for work needed to fulfil an existing 'service level agreement' but it is not clear whether this would cover a visit to fulfil an ongoing professional services contract would be covered by this.
- **Point of entry documentation:** There will also be the additional administration involved in ensuring that business travellers have documentation that may be required at point of entry to a Member state (eg proof that stay will be within the permitted duration; access to funds to support full duration of the stay) – this is complicated by the fact that the details of these requirements are likely to vary Member State by Member State.
- **Intra company transfers:** it is common for employees to move between countries in multinational consultancy businesses for example as part of being seconded to team based in a particular country or as part of a graduate development programme where graduate employees may be rotated across different parts of the business. The FTA does provide for this in terms of lighter requirements but again there are complications for example there is a salary de minimus which is likely to exceed graduate salaries.

- **Social security:** EU member States had until the end of January 2021 to opt out for proposals for continuing arrangements whereby UK employees on short term assignments in the EU could remain under UK National Insurance system (and vice versa).

**How will the new EU-UK framework for the mutual recognition of professional qualifications affect professionals and service sector businesses?**

Mutual recognition of qualifications is a very important issue for the sector. For example companies may recruit engineers from the EU27 to fill specific skills gaps in the UK – this would be undermined without mutual recognition. A lot rests now on the UK and EU professional bodies working pragmatically and efficiently with EU counterparts under the provisions of the FTA to agree mutual recognition. Business can provide a steer on which professions are most crucial.

Professional structural engineering/design standards are also important. The 'Eurocodes' have harmonised these across the EU and it is important that the UK continues to with these codes and contribute to their development through CEN.

*February 2021*