

Royal Institute of British Architects (RIBA) - Written evidence (PBS0010)

The Royal Institute of British Architects champions better buildings, stronger communities and higher environmental standards through the practice of architecture and our 40,000 members. We provide the standards, training, support and recognition that put our members – in the UK and overseas – at the peak of their profession. With government and our partners, we work to improve the design quality of public buildings, new homes and new communities

1. How important are the different UK professional and business services sectors to the UK's economy and trade in services? Please include data where possible.

- 1.1. The architecture sector is a global success story, contributing £4.8 billion a year to the UK economy. The benefit of UK architecture is not purely economic - architects are highly skilled and trained professionals who can use the latest innovations in design to create a better placemaking and a high-quality built environment. High-quality design in the built environment will help the UK tackle many of the existential challenges it today faces including climate change and health inequalities.
- 1.2. UK architecture is dominated by small businesses - 16% of practices consist of one employee. An additional 53% of practices employ between 2 and 9 people. Only 3% of practice employ 100 people or more.¹
- 1.3. Cities such as London and Manchester are significant hubs for architecture, but practices and architects work across the UK, providing highly-skilled and creative employment across the country. The majority of work undertaken by small practices are residential projects, such as one-off housing projects/extension or private housing schemes. Larger practices tend to draw a much greater degree of their revenue from commercial or public projects such as education spaces and hospitals.
- 1.4. UK architecture is the largest exporter of architectural services in Europe, and a net exporter of these services. RIBA chartered practices exported £625 million of architectural services in 2019. The top three markets for UK architectural services in 2019 were Asia (28% of revenue), Europe (23%) and the Middle East 21%).¹

¹ <https://www.architecture.com/-/media/GatherContent/Test-resources-page/Additional-Documents/RIBA-Benchmarking-2019-Summary-Finalpdf.pdf>

1.5. The UK is also home to world-leading universities and schools of architecture, attracting student to study from across the globe. 3 of the top 10 universities for architecture are based in the UK.² A third of students studying at RIBA validated schools of architecture are international³ - around 20% are from outside the EU, with the remainder from EU member states. This is a clear benefit to the UK's higher education sector in exporting their own services, as well as ensuring the UK maintains its competitive edge in the global market.

2. What are the UK's different professional and business services sectors' key priorities for the future UK-EU relationship? What are the key priorities of smaller professional and business services providers and providers from the UK's regions and devolved nations in particular?

2.1. The UK's relationship with the EU is important to the architecture sector, with services and good traded for range of purposes. The EU is the UK's second largest market for the export of architecture - growing 73% since 2015 - and the largest market for small and medium-sized practices.⁴ 74% of architects state that access to the EU is necessary to expand their international work.⁵

2.2. Given the people-focused nature of architecture trade rules related to the provision of skills and movement are the most important factors in ease of trade.⁶ Moving out of the system of freedom of movement has an important initial impact on the ability for the sector to export into the EU. It also means that the rules that the UK Government establish for the post-Brexit the immigration system and any agreement on mobility will be of high importance.

2.3. An ongoing agreement between the UK and EU on the Recognition of Professional Qualifications is a priority for the RIBA, our members, and our sister organisations in Europe. Further details are outlined in response to question 6.

² <https://www.topuniversities.com/university-rankings/university-subject-rankings/2020/architecture>

³ <https://www.architecture.com/-/media/GatherContent/Education-Statistics/Additional-Documents/Education-Statistics-2017-18.pdf>

⁴ <https://www.architecture.com/-/media/GatherContent/Test-resources-page/Additional-Documents/RIBA-Benchmarking-2019-Summary-Finalpdf.pdf>

⁵ <https://www.architecture.com/-/media/GatherContent/Global-By-Design-2018/Additional-Documents/GlobalByDesign2018pdf.pdf>

⁶ <https://www.architecture.com/-/media/gathercontent/core-cpd/additional-documents/ribaglobaltalentglobalreachreportpdf.pdf>

- 2.4. Written evidence from the Professional and Business Services Council further outlines the needs of the sector in regards to priorities, namely;
- Minimal market access restrictions, including on establishment requirements,
 - Mobility framework with a broad definition of business visitors,
 - Accession to the Lugano Convention,
 - Timely adequacy and equivalence decisions and continued regulatory co-operation between the EU and UK to provide a conducive framework for mutual market access.
- 2.5. Trade barriers inevitably impact on smaller practices over larger ones, which is why key markets for larger practices with exporting experiences can take place more easily in regions of the world that have no trade in services agreements with the UK.

3. What preparations (if any) have UK professional and business services providers made, or planned to make, ahead of the end of the transition period?

- 3.1. The UK Government has amended the Architects Act to ensure that EU/EEA qualified architects will be able to register under the same conditions as currently available if the UK is to leave to EU without a deal in place. This is welcome certainty for EU/EEA nationals seeking to work in the UK and those seeking to employ these professionals. However, this agreement is not reciprocal, and will be for individual EU member states to decide whether UK qualifications will be accepted on the same basis after the UK's leave date.
- 3.2. Ahead of the UK's last stating 'leaving' date on March 31st 2019, the RIBA worked to make members aware and prepare for the potential for disruption associated with a 'no deal' Brexit. However, we are also aware that many of our members - many of whom are small businesses - were unable to prepare for a range of uncertain outcomes.
- 3.3. Survey data gathered by the RIBA shows that the ongoing repercussions of the coronavirus crisis is having a significant impact on the health of the sector. 57% of architects have seen a negative impact on cashflow since March⁷, and 8% of practices reported that they do not

⁷ <https://www.architecture.com/knowledge-and-resources/knowledge-landing-page/riba-covid-19-survey-executive-summary>

believe that their businesses will remain viable.⁸ Under these conditions, there is an even greater need for certainty for businesses, and a wider forward-thinking plan from UK Government on how businesses can prepare and significant plan for public investment into the housing and planning system.

4. What type of arrangements should the Government seek to negotiate with the EU for the mobility of professionals?

- 4.1. 96% of UK practices have no offices outside of the UK, with the likelihood of having an office based outside the UK based on the size of the practice - 81% of practices that employ between 50 and 99 people are entirely UK based, which drops to 46% of practices that employ 100 people or more.
- 4.2. We support the Professional Business and Services Council's call for further information on the scope of the arrangements that the UK and EU are negotiating on mobility of professionals, and for both sides to come to agreement that allows frictionless movement for the short-term provision of business services. This is critical to allowing practices, especially those smaller practices that have no offices established outside of the UK to provide services into the EU.

5. How important are arrangements on the mutual recognition of professional qualifications to professional and business services providers in the UK and EU? How could a future UK-EU agreement best allow for this?

- 5.1. The RIBA has been clear that securing an agreement between the UK and EU on the recognition of professional qualifications is a priority for architects. 1 In 5 architects registered with the Architects Registration Board are EU/EEA qualified, providing a range of skills and experiences to the UK architecture sector.⁹
- 5.2. This agreement is understood to be of benefit to both the UK and EU architecture sector. In 2018, the Architects Council of Europe voted to support a motion in support of an ongoing agreement. This is a statement of support for the principle, but holds no legal weight. The legal dynamic, as with other professions covered by the relevant directive, is a matter of negotiation between the EU and UK.

⁸ <https://www.architecture.com/-/media/GatherContent/RIBA-Part-3-examination-information/Additional-Documents/FutureTrendsMay2020pdf.pdf>

⁹ <https://www.architecture.com/-/media/GatherContent/Powered-by-people/Additional-Documents/RIBApoweredbypeoplefinalversionpdf.pdf>

5.3. As the agreement outlines protection of title, rather than protection of function, it is important to be clear that the benefits of an ongoing agreement are not just about trade or hiring international talent, but also in ensuring that those offering the services of an architect are able to be monitored by our own regulatory body.

5.4. It must be noted that there are professionals working in the UK who are recognised as architects in other countries but are not able to work under that title in the UK because they have not registered with the ARB. One clear cause of this is that registering with the ARB for 3rd country nationals is very costly and time consuming, requiring that individual to take time out for examinations to ensure they fall in line with UK standards. It is right that standards are maintained. However, the gap between cost and time for UK (and currently EU/EEA qualified) professionals and those from third countries to register, with little to no difference in the types of services that can be provided, is creating a disincentive to sign up with the UK regulator for 3rd country nationals. We would be deeply concerned if this is an experience replicated in the future for EU/EEA qualified nationals.

6. What lessons, if any, can be learnt from the EU's existing trade agreements with other third countries including services, or negotiations on trade in services?

6.1. Establishing trade in services agreements has been out of the remit of many of the trade agreements struck by the EU. The first trade agreement to allow of recognition of professional qualifications is through CETA, and although the text of this agreement was agreed by both Canada and the EU in 2018, the full process has not been fully finalised and therefore EU and Canadian professionals are yet to benefit. We are concerned that any agreement between the EU and UK that follows the same path as the CETA agreement - ie, that provides the potential for a deal by competent authorities rather than one that establishes this agreement in text - will lead to significant delays as with CETA.

7. To what extent could UK-EU trade in professional and business services continue in the absence of a UK-EU agreement covering services? How effective would the WTO General Agreement on Trade in Services be in supporting such trade, and what arrangements (if any) could be put in place to go beyond the WTO framework?

7.1. We are concerned that the current WTO General Agreement on Trade in Services is inadequate and out-of-date. Frontier Economics estimate that the moving to these terms would cut UK exports by a

third.¹⁰ The RIBA has been clear that moving to these terms will cause harm for UK architecture, with the loss to business and jobs that this entails.

- 7.2. We echo the Professional Services and Business Councils suggestions that there are some actions that the UK Government can undertake unilaterally in this event. However, this is not an outcome that is supported by UK architecture.

8. What opportunities (if any) could the UK's withdrawal from the EU offer to the UK's professional and business services providers?

- 8.1. One in five architects have considered undertaking more international work since the 2016 referendum. However, with exporting often the preserve of large practices, action must be taken to open up markets through trade agreements, complimented through on-the-ground support for potential new exporters.¹¹
- 8.2. Research undertaken by Frontier Economic the RIBA shows that the UK is 16th of 44 countries that are members or are who are engaged with the OECD in terms of trade restrictiveness for architecture, and 7th in terms of restrictiveness in the movement of people.¹² Given the importance of supporting access to skills in export activity for architecture, this must be a major focus for any new country agreements.
- 8.3. Engaging with third country agreements on the recognition of professional qualifications is a priority for the RIBA, with 60% of RIBA members surveyed believing that they would boost exports.¹³ Target markets for such agreements would include the United States of America, Australia, New Zealand and Canada - countries which have similar education systems for architecture as the UK.
- 8.4. CETA has allowed for an established agreement between the EU and Canada over the recognition of professional qualifications, although this has yet to be enacted. In recent years, Canada, the United States of America, Mexico, New Zealand and Australia have all undertaken various

¹⁰ <https://www.architecture.com/-/media/gathercontent/core-cpd/additional-documents/ribaglobaltalentglobalreachreportpdf.pdf>

¹¹ <https://www.architecture.com/-/media/GatherContent/RIBA-council-elections-2018/Additional-Documents/RIBABoostingtheUKsarchitecturalexportspdf.pdf>

¹² <https://www.architecture.com/-/media/gathercontent/core-cpd/additional-documents/ribaglobaltalentglobalreachreportpdf.pdf>

¹³ <https://www.architecture.com/-/media/GatherContent/Global-By-Design-2018/Additional-Documents/GlobalByDesign2018pdf.pdf>

recognition agreements. If the UK leaves the EU without an agreement in place, and without the ability to strike new agreements with 3rd countries, the UK would be the only major provider of architectural exports with no agreement in place with another nation, pushing us down the ladder in access to overseas markets. In order for this to take place, the Architects Act 1997 needs to be amended in order to allow ARB to enter begin negotiations.

June 2020