

House of Commons Culture, Media and Sport:

The Impact of Brexit on the Creative Industries, Tourism and the Digital Single Market

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.

The RIBA sees both opportunities and challenges emerging from the UK's withdrawal from the European Union. This response focuses on the impact on access to talent and employment, and on European funding. On these issues the RIBA recommends that:

- The UK's professional qualifications for architecture must achieve mutual recognition with EU states after the UK's withdrawal from the Union. The UK should also seek to support mutual recognition of qualifications with other key trading regions, in order to support growing UK trade in these areas.
- The UK Government must take time to understand the impact of any reform to the way in which UK universities can attract and recruit overseas students.
- The UK Government should commit to continued funding for UK research and development, and seek opportunities to continue transnational partnerships with the EU.
- The UK Government should look to both strengthen existing and build new partnerships with emerging research and science nations.

Summary

- 1 The Royal Institute of British Architects welcomes the Select Committee's inquiry into the impact of Brexit on the creative industries.
- 2 Architecture is one of the UK's most valuable social, economic and heritage assets. UK architects and architectural practices are responsible for driving innovation and quality design in the UK's built environment. Architecture and connected activities were valued at £4.33 billion of Gross Value Added (GVA) in 2014.¹
- 3 UK architects also fly the flag for creativity abroad and the UK's trade in architecture continues to grow. In 2015 22% of practice revenues came from outside the UK, an increase on 16% in 2013.²
- 4 The UK's architecture sector also supports success in other areas of the creative industries. The 2016 Stirling Prize was awarded to Newport Street Gallery, a new public art gallery established by the artist Damian Hirst. Other previous winners include the Everyman Theatre in Liverpool and the Imperial War Museum at Duxford.
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 - The UK Government must take time to understand the impact of any reform to the way in which UK universities can attract and recruit overseas students.
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Employment in the creative industries: Will the UK be able to attract and retain talent from across the world in order to maintain its high reputation in these industries?

Background

- 6 In common with many creative industries, the UK's architecture sector attracts some of the best talent from across the world. A quarter of registered architects in the UK are from other EU nations, a figure which is continuing to increase. In 2015, 47% of new applicants to register with the UK Architects Registration Board were from the EU, a 4% increase on the previous year.
- 7 Additionally, architecture courses run by the UK's universities are widely understood to be flagbearers for quality training. Three of the global top ten universities for studies in architecture and the built environment are based in the UK.³ In 2014-15, 12% of new full-time entrants to RIBA validated UK Part 1 courses were EU students and 14.1% for Part 2.⁴
- 8 The benefits of this cultural exchange are two-way, helping UK business and practitioners learn from,

¹Department for Culture, Media and Sport 'Creative Industries Economic Estimates 2016'

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/523024/Creative_Industries_Economic_Estimates_January_2016_Updated_201605.pdf

²Royal Institute of British Architects 'RIBA Business Benchmarking 2015'

³QS World University Rankings by Subject 2016 – Architecture & the Built Environment

<http://www.topuniversities.com/university-rankings/university-subject-rankings/2016/architecture>

⁴Royal Institute of British Architects 'RIBA Education Statistics 2014/15'

<https://www.architecture.com/Files/RIBAProfessionalServices/Education/2015/EducationStatistics2014-15.pdf>

engage and network with practitioners from abroad, and allowing overseas students to benefit from and support the quality of UK universities. The ability to recruit and retain staff with experience of working in foreign markets helps make the UK more competitive.

- 9 More widely there are well-understood skills gaps in the construction sector, which has an impact on the health of the architecture sector. The Chartered Institute of Building estimates that the wider industry will have to find an additional 224,000 new recruits by 2019 to meet the overall pipeline of work.⁵

Impact of leaving the EU

- 10 At the present time, the EU Professional Qualifications Directive allows EU-qualified architects to register and practice in the UK, and for UK architects to practice in the EU, without a requiring a specific recognition of qualifications. Any professional licensing restrictions following the departure of the UK from the EU would represent a key non-tariff barrier for architecture professionals. This is a separate issue to the movement of labour, and could not be managed via any work visa regime e.g. visas granted to professionals on a skill demand basis.
- 11 Although equivalence could be sought through the Architects Registration Board's examination, this would bring new bureaucratic processes, adding costs and time; it would deter UK practices from employing talented overseas individuals; and ultimately limit the development and competitiveness of Britain's architectural industries.
- 12 Developing mutual recognition of qualifications with the EU could ensure that the UK can continue to access the best architectural talent from Europe.
- 13 There is also a strong case to develop mutual recognition of qualifications with territories where, because of the UK's membership of the EU, the UK has not been able to do so.
- 14 A growing proportion of the UK's architecture sector's fee earnings emanate from work overseas, with trade in the United States, South East Asia and the Middle East particularly strong. The development of mutual recognition of qualifications with regions that provide high-quality architectural education could support a further boost to trade, allowing the quality of UK architects to be better recognised abroad.
- 15 Additionally, it is clear that the UK Government is currently considering how UK universities will be able to attract and retain overseas students. In the experience of the RIBA there have been great benefits in attracting overseas talent to study in the UK, helping UK architecture firms to forge global links and influencing standards and performance abroad.

Recommendations

- 16 Any reform to the migration system, whether this impact on the ability of businesses to recruit talent from abroad, or universities to attract new students, will have a demonstrable impact on the functioning of the UK's architecture sector. As such the RIBA recommends that:
 - The UK Government works closely with industry to ensure that any reform to the UK's immigration system does not create non-tariff barriers
 - Professional qualifications for architecture must achieve mutual recognition with EU states after the UK's withdrawal from the Union. The UK should also seek to support mutual recognition of qualifications with other key trading regions, in order to support growing UK trade in these areas.
 - In order to support the pipeline of young new talent in the UK, the UK Government must

⁵ Chartered Institute of Building 'CIOB Perspectives: An Analysis of Migration in the Construction Sector' https://www.ciob.org/sites/default/files/CIOB%20research%20-%20Analysis%20on%20Migration%20in%20the%20Construction%20Sector_1.pdf

take time to understand the impact of any reform to the way in which UK universities can attract and recruit overseas students.

What will be the impact of the loss of European Union funding, both specialised (such as the Creative Europe fund) and more general (such as the Regional Development Fund). Will the UK Government replace these? Can tax exemptions or private sponsorship fill the gap?

Background

- 17 The UK is one of the largest contributors to the EU research budget – contributing €5.4 billion over the period 2007 – 2013. The best estimate that exists is that during the same period, the UK received €8.8 billion in direct EU funding for research, development and innovation activities.⁶
- 18 The UK's success in research and innovation is a result of our ability to draw on the best talent, support quality research within the UK's universities and provide the business support that allows public and private institutions the ability to innovate. Partnership work is crucial to supporting the UK's ambitions in research and innovation. For example, Resilient Infrastructures and Building Security project which RIBA members are involved in, aimed at innovating building design to protect against terrorist attacks.

Impact of the leaving the EU

- 19 There have been understandable concerns about the impact that the UK's withdrawal from the EU will have on research and development. It is welcome that the UK Government has recognised the value of funding and cross-partnership work through its guarantee for structural and investment fund projects signed before the 2015 Autumn Statement and through its underwriting of projects such as those available through the Horizon 2020 programme.
- 20 On a domestic front, it is welcome that the Government has continued to assess its support for the creative industries through its regime of tax exemptions for the creative industries. The RIBA holds a number of exhibitions at its headquarters in London, and across the country. It is positive that there is currently a consultation on providing tax relief for museums and galleries in order to support engagement with a wider public.

Recommendations

- 21 Changes to the way in which research and development funding is secured, especially in partnership with international partners, will have a clear impact on the UK's ability remain at the forefront of creativity, research and innovation. As such the RIBA recommends that the UK Government:
- Commits to continued funding for UK research and development, and seeks opportunities to continue transnational partnerships with the European Union
 - Look to both strengthen existing and build new partnerships ones with emerging research and science nations. There is further opportunity in supporting cutting-edge research that addresses the challenges faced by developing countries through engaging in bilateral and multilateral initiatives. An example of this includes innovative and environmentally-friendly architectural design that can help integrate large-scale infrastructure development in Asia.

⁶ The Royal Society 'The UK and EU Research Funding' <https://royalsociety.org/topics-policy/projects/uk-research-and-european-union/role-of-EU-in-funding-UK-research/uk-and-eu-research-funding/>