

# Royal Institute of British Architects

## Response to the House of Lords – EU Services Sub-Committee: Future UK-EU relations: trade in services February 2021

The Royal Institute of British Architects is a global professional membership body driving excellence in architecture. We serve our members and society in order to deliver better buildings and places, stronger communities and a sustainable environment. Being inclusive, ethical, environmentally aware and collaborative underpins all that we do.

### *Cross-cutting issues:*

#### What is the impact for trade in services of the UK and EU reaching a free trade agreement?

The UK is a global architectural hub – and directly contributes £4.8 billion to the UK economy every year. A further £1 billion a year contribution is embedded in the exports of the other industries it supports – from banking to museums, transport to IT services.

The scope of the EU-UK Trade and Cooperation Agreement (TCA) will mean a significant shift in many areas of work for UK architecture, as:

- In 2020, the value of international work for RIBA Chartered Practices was £624 million, 18% of which came from the European Union (EU)<sup>1</sup>
- 80% of international architects are from the EU
- 86% of architects think that access to international talent is critical to the sector
- 60% of construction products that are imported into the UK come from the EU

Since the referendum, the RIBA has been clear that we wanted to see an agreement that supports the work of UK architecture. To that end, we called for:

- A deal with the EU that supports free trade, with a particular focus on trade in services
- A continued agreement of mutual recognition of professional qualifications
- An increase in the confidence of EU nationals currently living and working in the UK
- An immigration system that ensures the UK job market remains open to skilled professionals from all over the world
- New trade deals, with standards and professionalism at their heart
- Further support to grow the UK's export of architecture

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<sup>1</sup> The EU has remained a constant market for UK architecture exports, but as architecture exports have increased across the world, specifically in the Middle East (28%), North America (21%), and Asia (20%), EU exports as an overall percentage have decreased.

Construction products that come from Europe are key to ensuring a thriving construction sector – it only takes one material to be unavailable to impact work on a building site. This is especially important when considering the current coronavirus pandemic and ensuring a swift economic recovery, the UK housing crisis, and the climate emergency. Many products used in sustainable buildings, for example, come from the EU. Therefore, the RIBA welcomes the trade deal and tariff-free importing and exporting should benefit UK construction long-term.

For trade in services the TCA is more complex – the end of mutual recognition of professional qualifications, free movement and the Erasmus+ scheme will affect the architecture sector.

The implementation of the TCA has not meant for that there is an immediate break in many areas of the UK-EU relationship. For example, although there is no agreement on mutual recognition of professional qualifications the Architect's Registration Board (ARB), have agreed unilaterally to recognise EU qualifications, and data adequacy provisions have not yet been finalised. Projects initiated before 31 December 2020 may still be governed by pre-Brexit rules. Additionally, the coronavirus pandemic is disrupting usual economic activity and trade.

Therefore, it may be sometime until we see the full effects of the TCA. However, there are several areas we are seeking clarity and hoping for progress.

### **What effect may national reservations to the UK-EU Trade and Cooperation Agreement have on trade in services with the EU?**

National reservations by member states may create a complex and multifaceted system for UK architects wishing to work in the EU. This will be onerous and costly for some architecture practices.

International work by RIBA Chartered Practices from the EU and other parts of Europe is widely spread across all practice sizes. But for smaller practices, the EU is the region most likely to provide international work. This means that national reservations will particularly impact smaller practices, around 85% of architecture practices employ fewer than 10 people, who are less able to bear the additional cost and administration burdens associated with the new requirements.

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

It was positive to see that the TCA contained provisions for visa-free, short-term business trips for specific purposes. But as mentioned above, national reservations by member states may create a confusing and multifaceted system for UK architects wishing to work in the EU. The complexity of understanding the national reservations for each country, then concluding if a visa is required to undertake the work, will be burdensome and costly for some architecture practices.

Individuals will need to monitor how many days they spend in the EU to ensure they comply with the limit of 90 days in the 180-day visa-free period. Trips for leisure purposes are also included and this will require employers to keep a record of trips taken by their employees, creating new costs and complexity for businesses.

*Professional and business services:*

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

The RIBA has continuously called for the mutual recognition of professional qualifications to be secured in a trade deal with the EU. The RIBA was pleased to see that the UK included mutual recognition as a key negotiating principle for trade in services, but this objective was not echoed by the EU. It was therefore disappointing to see mutual recognition was not agreed in the TCA.

For architects who already have their qualification recognised, the EU Commission and the competent body for architects in the UK, the ARB, have confirmed that these architects will not be affected by the ending of mutual recognition arrangements and will be able to continue to work across the UK and EU as before.

For EU architects wishing to come and work in the UK, the ARB has decided to continue to unilaterally recognise EU/EEA qualifications that are covered under the mutual recognition of professional qualifications directive.

This is positive for the UK architecture sector which relies upon mutual recognition to attract international talent. As mentioned above, 80% of international architects are from the EU. However, since the referendum there has been a drop-off in registrations from EU architects, we are concerned about the impact of this on architecture practices. International architects help fill regional vacancies, skill gaps, and have desirable soft skills, such as languages. Employing international talent can help boost an architecture practice's technical and design skills.

The UK is a desirable destination for international architects who migrate to the UK for better career opportunities. However, unilateral recognition may not be enough to continue to attract international talent. RIBA research shows that almost half (47%) of architects working at large practices are concerned that no mutual recognition agreement would mean they lose valued staff.

For UK architects wishing to work in the EU, arrangements have been put in place with the Republic of Ireland following an agreement between the ARB and the Royal Institute of Architects of Ireland to continue to recognise each other's qualifications. However outside of this, there is no mutual recognition for UK architects seeking recognition to offer services in EU. This means that UK architects will now have to satisfy the individual requirements of member states. These requirements will vary state to state, which may create additional costs and bureaucracy for architecture practices wishing to work in Europe. For example, in Germany this means sitting an examination to prove competence, and in France a UK architect must be authorised, by order of the Minister responsible for architecture, after consulting the National Council, to carry out a specific project.

An additional complication is the different positions of individual member states on whether they protect the 'title' and/or the 'function' of an architect. For example, in France and Spain, both title and function are protected; Denmark and Sweden protect neither title nor function; in Italy, title and function are protected and the appointment of an architect is mandatory for work on any building deemed to be of artistic or historic value. This means that understanding what work an architect can carry out will need to be researched on a country by country basis and may also be project specific.

The Ministry of Housing, Communities and Local Government recently closed a consultation on amendments to the Architects Act 1997 which sought views on a new system for the recognition of international architecture qualifications. The Government's aim is to formulate a cohesive system of international qualification recognition.

The RIBA welcomed this consultation and we continue to urge the Government to provide the ARB with necessary power to negotiate international agreements that supports trade and will enable UK architecture to thrive globally.

### *Research and education:*

**Under the future relationship agreement, the UK will become an associate member of Horizon Europe but will not associate with the Erasmus+ programme. What impact will this have on the UK's research and education sector and students in the UK and EU?**

Three of the world's top ten schools of architecture are in the UK, and one third of students studying architecture are international students. Between 30 – 40% of international students studying architecture in the UK are from the EU. This figure is dependent on whether the course is Part 1 or Part 2.

In addition, for architects under the age of 30 the UK's education system is a draw, with 42% of respondents stating that it attracted them to come to the UK. Prior to the UK leaving the EU, European students have benefited from the ability to have qualifications gained from UK schools of architecture recognised under the mutual recognition of professional qualifications directive.

However, without mutual recognition of professional qualifications in place, this may impact on the number of students who come from the EU to study architecture in the UK. If international students are unsure if they will be able to have their qualification easily recognised in their home country, they may not choose to study here. In addition, the new costs of securing a visa and studying in the UK may deter some international students.

Our research shows that 80% of international architects come to the UK because of the career opportunities the architecture sector provides – a system that dampens the ability to develop a career will make the UK a less attractive destination for international architects.

It takes at least seven years to qualify as an architect in the UK, and this involves a mix of study and practical experience. Therefore, the reintroduction of the two-year post study work visa is welcome. This will help encourage students to study in the UK knowing they will be able to undertake their placements here.

The UK is a global leader in architectural education and UK schools of architecture are a significant export. As the UK is no longer a member of the EU, there is the opportunity to agree new mutual recognition agreements across the world.

**What is your assessment of the Turing Scheme - the Government proposed domestic alternative to Erasmus+?**

It was disappointing to see that UK students will no longer be eligible for the Erasmus+ scheme, given the clear benefits for young people. We look forward to understanding more about the new Turing scheme

and how this will work in practice. It was positive to hear the scheme will include countries across the world, as this will open opportunities for architecture students globally.

*Data and digital services:*

The EU has granted the UK a six-month data adequacy 'bridge' to allow the free flow of personal data until the EU determines whether or not to grant a data adequacy decision to the UK. How would the absence of a data adequacy decision at the end of this bridging period affect trade in services?

The impact of data adequacy agreements will depend on the type of work that a practice undertakes, and how they are set up. Only 4% of UK practices have offices outside of the UK – 62% of which have an office in the EU. Practices with offices located outside of the UK are often the largest, and London-based. The absence of data adequacy agreements will be felt most by architects that provide services in the EU or have arrangements with businesses in the UK to support service provision, but do not have a base there. This will mean increased costs to businesses that need to transmit data from the EU and is likely that smaller practices will be the hardest hit.

The RIBA have been advising our members who transfer personal data to put in place alternative transfer mechanisms to safeguard against any interruption to the free flow of EU to UK personal data.