Royal Institute of British Architects

Department for Business & Trade consultation – Invest 2035: The UK's modern industrial strategy

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.

The Royal Institute of British Architects (RIBA) welcomes the opportunity to respond to this consultation on the UK's modern industrial strategy.

Achieving sustained economic growth requires an ambitious industrial strategy that leverages the strengths of key subsectors such as those identified in the Green Paper. This strategy should be supported by targeted planning and regulatory reforms to address existing barriers to growth, enabling the full potential of the UK economy to be unlocked.

RIBA recommends that the Government should:

- Commit to supporting the domestic and international growth of architecture as a key element of its focus on the creative industries and professional business services.
- Ensure that new towns and developments benefit not only from high-quality housing provision, but also easy access to physical and social infrastructure such as public transport, retail offers and employment opportunities.
- Utilise the expertise of architects when establishing and delivering new development.
- Require post-occupancy evaluation (POE) as a condition of procurement for all public sector buildings and new homes.
- Bring forward the consultation on the approach and interventions to mainstream the measurement and reduction of embodied carbon in the built environment.
- Work towards the establishment of mutual recognition of qualifications between the UK and the European Union.
- Reclassify all UK courses that are part of the route to becoming an architect into Price Group B alongside comparable disciplines such as civil and structural engineering.

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Question 1: How should the UK government identify the most important subsectors for delivering our objectives?

To identify the most important subsectors to deliver the Government's objectives, it should look for sectors that can help improve productivity and grow the economy both at home and abroad. Ideally these sectors would also be cross-cutting.

Question 4: What are the most important subsectors and technologies that the UK government should focus on and why?

British architecture is world-renowned and a global success story. In the year leading up to May 2024, RIBA Chartered Practices' revenue reached £4 billion. Architectural exports also reached an all-time high of £934 million.

British architecture exports are truly international, with high-quality buildings designed by UK practices on every continent. Not only does good design provide a greater quality of life, but can also increase productivity.

The UK is home to a wide range of experts skilled in delivering innovative professional and business services. Services provided by architects contribute to the delivery of high-quality homes and places, improve building safety, and drive progress toward our net-zero ambitions.

Architecture is also a cross-cutting sector, with relevance to construction, the creative industries and professional and business services – all areas that the UK is known for and which are key sectors in terms of economic growth. The Green Paper acknowledges that the UK's creative industries are world-leading, with significant potential for further growth.

Architecture will be vital to the Government's vision, serving as one of the most visible expressions of our country's creativity and cultural significance. The sector also generates high-quality job opportunities and drives economic growth across every region of the country.

RIBA wants to help our members grow their businesses both at home and abroad. This includes exporting more architectural services and growing the UK's international standing.

Question 5: What are the UK's strengths and capabilities in these subsectors?

From housing and office buildings to sports stadiums and infrastructure, British-designed buildings have set – and will continue to set – global standards for creativity and innovation in the built environment. It is essential that the Industrial Strategy reflects and supports these strengths.

The Green Paper recognises that the UK has a comparative advantage in professional and business services, and it is clear that there is significant growth potential, especially as the global economy continues to demand more services and the UK seeks to strengthen its trading relationships with international markets.

As the world continues to urbanise, especially in emerging markets in Africa and the Middle East, the skills and services that British architecture offers will be increasingly needed over the coming decade.

RIBA's Horizons 2034 report, which examines a variety of trends likely to shape the built environment, highlights that increased urbanisation will require architects to design sustainable, resilient urban environments. There is clear potential for UK architectural practices to harness these opportunities and expand into new and emerging markets.

Question 6: What are the key enablers and barriers to growth in these subsectors and how could the UK government address them?

Supporting the continued growth of British architecture requires an approach tailored to the specific needs of architects, the creative industries, and the professional and business services sectors. This approach should take a strategic, long-term view and focus on better leveraging the UK's expertise in the design of the built environment.

One of the barriers limiting the growth of architectural practices is the lack of mutual recognition of qualifications, particularly in the context of the UK's relationship with the European Union (EU) post-Brexit. With no mutual recognition for UK architects seeking to offer services in the EU, architects must now satisfy the individual requirements of each member state should they wish to practise there.

In the year up to May 2024, RIBA Charted Practices generated £934 million from international work, with 47% of this originating from the EU. Securing a mutual recognition agreement with the EU is therefore essential to help support the stability and growth of the architectural sector.

Many architectural practices also rely on the skills of international practitioners. This is primarily due to the relatively static pool of domestic talent in the UK which is result of the time it takes to qualify to become an architect.

Previously, the EU served as an important source of talent for UK practices, with EU architects comprising 20% of the UK's architectural workforce. However, since the referendum on the UK's continued membership of the EU in 2016, there has been a decline in registrations from EU architects, with only 16% of the UK Register holding EU qualifications as of 2022.

Despite positive trends in revenue generated from EU projects in 2023, 46% of RIBA Chartered Practices report that the current UK-EU relationship has hindered their ability to recruit and retain architects from abroad. Additionally, previous RIBA research suggests over three-quarters (86%) of architects believe that access to international skills and talent is vital to the future success of the sector.

Recent changes to the immigration system have increased the salary thresholds across architecture roles. These changes are expected to hinder the talent pipeline available to UK practices.

To ensure that architecture practices have access to sufficient talent, the immigration system must support a job market that remains open to skilled professionals seeking to work in the UK.

The use of artificial intelligence (AI) in architecture is also an area the Government should examine. RIBA research shows that 41% of UK architects are already using AI on at least the occasional project, with 43% of architects thinking that it has made the design process more efficient.

This shows that architects are willing to engage with new tools, but we must also ensure that there is access to high-quality training and education to make the most of digital tools available to the profession.

The UK is already a world leader in the digitisation of the design process. Starting with CAD, and then with BIM, the process of design has been transformed, enhanced, and made collaborative through digitisation.

The UK Government's implementation of the Level 2 BIM mandate was instrumental in the UK becoming a world leader in BIM. It supports the contribution RIBA Chartered Practices make to the UK economy, and the architectural service exports they provide.

There are several ways that AI is being leveraged in the architecture sector to promote growth. Many emerging startups and research groups are leveraging AI and digital tools for optimisation strategies in the key areas of material use, energy efficiency, structural integrity, and fire safety. AI can speed up the design process by automating certain tasks, such as generating 3D models and conducting simulations.

AI can be used to identify potential safety hazards in building designs and recommend modifications to improve safety. For example, AI can assess a building's performance in a range of crisis scenarios, such as fire or earthquake.

However, there are also clear barriers to the further adoption of AI. The ability of practices and architects to gain knowledge and skills on these technologies is variable, and there are both cost and time implications. While adopting these technologies will likely have positive implications in terms of time spent on projects, upskilling is a time-intensive process. This means that having dedicated time for training and continued professional development (CPD) is important.

Government investment into AI R&D is vital. For architecture, the best environment for R&D development is stable investment in public buildings to provide the level of business stability to allow long-term R&D programmes. We must leverage UK Research and Innovation (especially Innovate UK) to promote collaborative research into high-risk, but potentially high reward, innovation.

We should also utilise the Government's convening power to draw together expertise from private, public, academic and non-governmental sectors in order to address the challenges of creating sustainable, healthy and prosperous urban environments.

Question 7: What are the most significant barriers to investment? Do they vary across the growth-driving sectors? What evidence can you share to illustrate this?

Lack of resource in local authorities has a detrimental impact on the planning system, thus stifling growth. Local authority spending power has fallen by 16% between 2010 and 2020[iv], and planning services have experienced a more severe cut than many other local authority services.

As the Green Paper notes, "an effective planning system is a fundamental enabler for business investment in our growth-driving sectors", and blockages in the system have the opposite effect. The August 2024 edition of RIBA's Future Trends survey asked architecture practices whether delays in processing planning applications by local authorities have caused project delays. 57% of practices have experienced projects being delayed by between one and six months. 19% of practices also reported projects being abandoned because of delays in the last three months.

Further to this, housing delivery which does not take a holistic approach to infrastructure provision is a significant barrier to growth. Too many housing developments do not have adequate access to public transport provision or employment opportunities. Not only does this have a negative impact on people's quality of life, but also on the creation and maintenance of local industry and commercial offers.

Another barrier to investment in new and innovative technologies is a lack of consistency and certainty. For example, there is much potential for the use of modern methods of construction (MMC). Its use can result in a 20% - 60% reduction in construction programme time, 20% - 40% reduction in construction costs, 70%+ reduction in onsite labour, and greater programme certainty.

There are also a number of clear environmental benefits, with MMC use allowing for significant reductions in energy consumption during the construction process and reductions in onsite waste compared to traditional construction methods.

However, we need investment to ensure a pipeline of MMC projects. Getting a factory up and running is a big investment and without a pipeline of projects, the private sector is unlikely to invest. A consistent pipeline of work is vital to ensuring that MMC is able to develop and sustain itself, which is hard to achieve should uptake not be consistent. Unlike traditional construction methods, where elements of the supply chain and attached workforce can be employed on a flexible, demand-oriented basis, MMC relies on a vertically integrated factory model for production with specifically trained employees.

If the potential of MMC is to be fully realised, Government support and aggregated demand are crucial to fostering MMC procurement routes. Investment into research and development would drive noticeable advances in the sector. There are levers available to the Government to ensure that its funding programmes contribute directly to the increased use of MMC. Attaching conditions for the use of MMC to funding is an important tool.

Question 8: Where you identified barriers in response to Question 7 which relate to people and skills (including issues such as delivery of employment support, careers, and skills provision), what UK government policy solutions could best address these?

The architecture sector faces many challenges for a pipeline of new entrants. As a regulated profession, while it currently takes at least seven years to become an architect, with many taking over 10 years to qualify. Reform is underway in the education process, however, the pipeline of individuals with architecture skills remains relatively static and cannot meet or respond to current demands.

To ensure an inclusive, well-rounded profession, we need to improve the accessibility of architectural education to those from diverse backgrounds, and ensure that the structure and cost of education does not prohibit those who wish to pursue it but find it inaccessible.

Promoting diverse pathways and registration upon graduation
In the UK, the architecture profession is regulated, and you must register with the Architects Registration Board (ARB) to use the title 'architect'. The current route to registration involves at least five years of university study and two years of practical experience, however, it is going through a period of regulatory change.

To create a broader pool of talent, it is essential that continued support is given to more flexible, accessible, and inclusive pathways to becoming an architect. This includes apprenticeships, collaborative practice models, and the development of pathways for overseas graduates and non-cognate graduates at advanced stages.

Further to this, we have proposed to the regulator that graduates should be granted access to a (restricted) title upon graduation, similar to other regulated professions. This would enable students to become registered immediately after completing their degree, provided their studies include appropriate practical experience. This approach serves a dual purpose; it encourages universities to design courses that include relevant practical experience, while reducing traditional barriers to entry,

particularly for individuals from backgrounds where accessing relevant experience has been challenging.

As mentioned above, there is a clear role for apprenticeships for architecture students as they work towards registration. However, the Government recently announced plans to reform the apprenticeship system in England, which will result in restricted funding for Level 7 apprenticeship courses. This change will significantly affect the amount of funding architectural practices receive to cover the costs of training apprentices at this level, equivalent to a masters degree. These changes risk undermining alternative routes to qualification and are counterproductive to efforts aimed at broadening the talent pool available to the profession.

Improving the funding of architectural education
All UK courses that are part of the route to becoming an architect should be re-classified into Price Group B alongside comparable disciplines such as civil and structural engineering. This would bring an additional £25 million per year to architectural education, enabling more focus on specialised and resource intensive education in areas including fire safety, sustainability, digital fabrication and computational design.

Creating an immigration system that works for architects
We must also acknowledge the role that immigration plays in supporting the built environment. The built environment succeeds because of its ability to trade in goods and services and recruit talent international talent.

Reforms to the immigration system, such as the removal of architects from the Shortage Occupation List and changes to salary thresholds, will severely impact the ability for UK architecture firms to employ international architects. RIBA's own research shows that the median salary of a newly qualified architect is £36,000 – significantly below the new going rate for architects which is set at £45,900.

The highly skilled nature of our profession means that it is difficult to recruit from the existing labour force. If we want to continue to grow the architecture sector, both at home and abroad, we need more flexible routes to the architects register and to be able to employ international architects.

Question 12: How can the UK government best use data to support the delivery of the Industrial Strategy?

The data obtained through post-occupancy evaluation (POE) would be of use to the Government in the delivery of the Industrial Strategy. POE is the process of obtaining feedback on a building's performance in use after it has been built and occupied, and it collects information on building and energy use and user satisfaction.

POE informs building users if their building is energy efficient and reveals if it is being used as intended. Addressing these issues can help reduce operational costs. It also provides data to help understand how buildings are performing compared to their design intention.

Without this data, the construction industry will unknowingly continue to make the same mistakes, wasting time and money. Using technology as a major part of the POE process would deliver huge value to architects, construction firms, building owners and occupants alike.

At present, the lack of information about how well new buildings are performing is hindering improvements in sustainability. To tackle this, we recommend that the Government makes POE a condition of procurement for public sector buildings and a requirement for all new homes under the Future Homes Standard.

Completion of POE for all new public buildings can drive up standards through "lessons learnt", fostering iterative design. The recording of anticipated and in-use energy, embodied carbon and water use of publicly procured buildings should be required.

The Government can then, where possible, open up this information to allow private sector development of tools and processes to maximise its use, using data to drive forward innovation.

Question 14: Where you identified barriers in response to Question 7 which relate to planning, infrastructure and transport, what UK government policy solutions could best address these in addition to existing reforms? How can this best support regional growth?

In Question 7 we raised the issue of lack of resource and capacity in local planning authorities (LPAs). We strongly recommend that the Government commits to comprehensively resourcing LPAs in terms of both capacity but also the necessary expertise.

Only by ensuring that skilled planning and design professionals are situated within LPAs can high-quality development be brought forward in a timely manner. LPAs must not only be comprehensively resourced, but the appropriate skills must be in place so that all planning applications are subject to rigorous scrutiny, thereby creating a built environment that facilitates growth and meets people's needs.

New developments should also take a holistic approach to the provision of housing, amenities and infrastructure. This will aid growth while also supporting an improved quality of life for residents.

There is a clear role for devolved authorities in delivery. Utilising local knowledge and expertise in order to ensure that development meets identified need, is in the right places and benefits from existing infrastructure where possible, is vital.

Question 15: How can investment into infrastructure support the Industrial Strategy? What can the UK government do to better support this and facilitate co-investment? How does this differ across infrastructure classes?

As the Green Paper acknowledges, infrastructure investment is a critical element of creating growth. High-quality, reliable public transport is crucial to allow access to employment opportunities and increased connectivity while reducing reliance on personal car use. London's Elizabeth Line recently won the RIBA 2024 Stirling Prize for architecture, showcasing the relationship between high-quality design and sustainable infrastructure development.

The provision of housing in appropriate tenures and typologies to meet local need is also a key part of this. There is an urgent need for local authorities to be allocated significant, ongoing investment from central government to deliver the high-quality, sustainable homes and places we desperately need.

Investment into local authorities to aid housing delivery will support the Industrial Strategy. For example, funding shortfalls impact local authorities' ability to develop land and provide housing and infrastructure which will support the Government's aims. Most local authorities do not have the resources nor in-house expertise to directly deliver the construction and maintenance of major

projects, including the delivery of housing. To truly create the conditions for growth which the Government is proposing, further investment into local authorities is a crucial step.

Question 20: Do you have suggestions on where regulation can be reformed or introduced to encourage growth and innovation, including addressing any barriers you identified in Question 7?

Many UK architecture practices have extensive expertise in sustainable design, and growing this will help the sector to grow. However, to do this the Government should start setting higher sustainability standards.

RIBA has been calling for the Government to introduce embodied carbon targets in regulation. The previous Government announced that it intends to consult on its approach and interventions to mainstream the measurement and reduction of embodied carbon in the built environment. We urge the new Government to continue this work and bring forward this consultation.

The regulation of embodied carbon would drive up standards across the built environment, while also leading to creative designs using low carbon materials. Positioning the UK architecture sector as a leader in creative, sustainable design will help it to grow in terms of exports, contribute to greater growth, while also helping deliver our net zero ambitions.

Question 24: How can international partnerships (government-to-government or government-to-business) support the Industrial Strategy?

Mutual recognition of professional qualifications supports UK practices to compete internationally for the best talent. This plays an important part in the contribution of the sector to the UK economy, while removing a barrier for architects seeking to work overseas.

There have been a number of new signed mutual recognition agreements (MRAs) for architects. This includes with Australia, New Zealand, and the United States, all of which RIBA welcomes. However, the lack of an MRA with the EU is a barrier.

The lack of a UK-EU MRA means that UK architects have to satisfy the individual, and variable, requirements of member states. This may create additional costs and bureaucracy for architecture practices wishing to work in Europe.

At present, propensity to export in the architecture sector varies greatly by size. Issues such as cost and administrative burdens particularly impact smaller practices, which are less able to bear the them.

As such, securing a UK-EU MRA is vital to help drive UK architecture exports, which will have positive ramifications for the Government's industrial vision. The Architects Registration Board (ARB) has been working with the EU on an MRA for architects, though this has stalled due to the EU not agreeing the terms put forward.

Progress on this would be very welcome and we urge the Government to examine how best to facilitate an agreement.

Question 25: Which international markets do you see as the greatest opportunity for the growth-driving sectors and how does it differ by sector?

As a country, we are well-equipped to provide the skills and services needed to meet the growing trend of urbanisation. This is reflected in the architectural export statistics, which show considerable growth in markets such as China and the Kingdom of Saudi Arabia (KSA).

At RIBA, we encourage architects to pursue international business opportunities and expand into new markets. This includes establishing offices in key international regions, where we support the delivery of RIBA's vision to champion better buildings, communities and the environment through architecture and our members.

RIBA has established its the Gulf Chapter, which supports members across the Gulf Cooperation Council (GCC) states, including the United Arab Emirates (UAE), Bahrain, Jordan, Kuwait, Qatar, Saudi Arabia, and Sultanate of Oman. Additionally, in 2023, RIBA signed a Memorandum of Understanding with the Architecture and Design Commission (ADC), which forms part of the Saudi Ministry of Culture. This embeds RIBA as a key partner within the design and construction sector in KSA.

Countries such as KSA have large populations, substantial purchasing power, and a growing reputation as key destinations for foreign brands and companies across various sectors, including architectural services. Architectural expertise plays a vital role in designing megacities and infrastructure projects in these emerging markets.

Question 27: What public and private sector interventions are needed to make strategic industrial sites 'investment-ready'? How should we determine which sites across the UK are most critical for unlocking this investment?

The Green Paper does not provide an exhaustive definition of what would be eligible for consideration as a strategic industrial site. We would welcome further information on how the Industrial Strategy will define strategic industrial sites.

Brownfield remediation is one issue which affects the ability for large sites to be brought forward for industrial use. Remediation and decontamination works can be expensive and complex and may involve removing or diverting existing infrastructure such as highways, services or drainage. The scale of risk, when there is risk involved in the remediation of a site, is usually large – which can be unattractive to potential developers and therefore not conducive to unlocking growth.

There is a clear role for national planning policy in ensuring that strategic industrial sites are delivered in the right locations to maximise growth while also mitigating risk. For example, there is a fine balance in ensuring that demand for housing delivery does not impinge on sites earmarked for industrial use while still making sure that there is sufficient land allocation to meet housing need.

As we extrapolate on in our answer to Q28, identification of strategic industrial sites must be carried out in tandem with identifying the best locations for new towns and urban extensions to ensure that a holistic approach to the delivery of housing and infrastructure is taken.

Question 28: How should the Industrial Strategy accelerate growth in city regions and clusters of growth sectors across the UK through Local Growth Plans and other policy mechanisms?

The move to utilise the knowledge of local leaders to accelerate growth is positive. However, mayoral combined authorities must have both the resource from central government and the necessary autonomy to meet the needs of their area through a Local Growth Plan.

This means that the Government must commit to providing support where need is identified without stifling the ability of local leaders to make decisions that will benefit the strengths and mitigate the challenges of their region.

In terms of other policy mechanisms, the Government's focus on new towns should be aligned with the Industrial Strategy. Location is a critical factor in the successful development of new towns. Site selection should prioritise areas where people want to live and where the need for development is most urgent. Data driven site analysis should be used to help understand this.

To maximise opportunities for growth that will arise from the development of new towns and urban extensions, proximity to major transportation links, such as train lines or well-served bus routes, is essential to provide residents with economic opportunities while minimising reliance on cars.

It is crucial to ensure that new towns and developments have high-quality social infrastructure, including healthcare, schools, community centres and sports facilities. These should be sequenced early in the development process, together with facilitation of private sector amenities such as pubs, cinemas and retail.

There is a clear role for architects to ensure a cohesive vision and focus for new development. In addition, architects' design expertise can assist with providing innovative design solutions to new large-scale development, allowing greater density or making difficult sites viable.

Question 31: How should the Industrial Strategy Council interact with key non-government institutions and organisations?

Non-governmental institutions and organisations with specific sectoral expertise will be important to informing and shaping the work of the Industrial Strategy Council.

Cross-industry and government bodies such as the Professional and Business Services Council and Creative Industries Council play a vital role in identifying what these sectors needs to thrive. They can also help identify and address barriers to its growth, including key topics like finance, skills, export markets, and regulation.

It is bodies like these that will enable the Industrial Strategy Council to maintain a flow of information on what actions and steps are working, as well as what additional measures are needed to support the growth of our vital subsectors.