

Global by design: How the government can open up new opportunities for UK architects

The Royal Institute of British Architects (RIBA) is a global professional membership body that serves its members and society in order to deliver better buildings and places, stronger communities and a sustainable environment. We provide the standards, training, support and recognition that put our 40,000 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.

UK architecture is a global success story worth over £4 billion a year. Architects from around the world come here to study, work and develop new skills and contacts, helping British firms design ground-breaking buildings on every continent. This benefits the wider economy, bringing jobs and investment to the construction, digital, education and creative industries.

Architects and the RIBA recognise that the UK must shape a new role for itself in a fast-changing world. In December 2016, we surveyed our membership to gather evidence on how architects were responding to Brexit.

The results were clear: Brexit has caused short-term challenges: over 60% of architects have seen work delayed and 37% reported cancelled projects. However, the profession sees expansion as the best response: one in five architects hope to expand abroad and the domestic market remains strong.

To maintain the UK's global power in architecture the Government must negotiate new relationships with the UK's largest trading partners, open new markets and address the structural challenges that threaten the UK's future growth.

The RIBA has five priorities for government to maintain and strengthen the UK's status as a global hub for architecture:

- Access to the best talent and skills
- Trade agreements that open access to foreign markets
- Support for education, research and innovation
- Action to boost the UK's competitiveness including infrastructure investment
- Common standards and low compliance costs

PRIORITY 1: Access to the best talent and skills

- **Confirm the status of non-UK EU nationals in the UK**
- **Maintain the transferability of UK services within the EU by pressing for continued EU recognition of UK qualifications**
- **Continue recognising the qualifications of EU trained architects in the UK**
- **Seek new mutual recognition agreements with other new markets**

The ability to draw upon the best talent from around the world has driven the expansion of UK architecture, creating a climate which has helped it become a global centre of architectural excellence and innovation. From concept design through to digital techniques for modelling and managing information throughout the life of a building, such as Building Information Modelling, UK architects have thrived by adopting an approach that embraces collaborative working and helps optimise the design, construction and use of buildings. The UK is also at the forefront of emerging construction techniques such as 3D printed components.

Decisions that make it harder for the UK to train, attract and retain the best and most skilled staff will have disastrous consequences in what is a highly mobile and specialised profession with high training costs. Crucial to this will be government decisions around the recognition of qualifications.

The mutual recognition of professional qualifications enables the movement of professionals such as doctors or architects, allowing them to move across borders and practice their occupation or provide services abroad. To work in the UK, all architects regardless of their nationality must register with the statutory Architects Registration Board. Currently, around 25% of the architects in the UK are non-UK EU citizens. In internationally-focused practices the proportion is significantly higher. This diversity fosters innovation, helps facilitate introductions to a globally-based clientele and contributes valuable cultural perspectives and linguistic expertise.

Over 80% of RIBA members identified access to skilled talent from around the world as vital to the future success of UK architecture. Worryingly, 40% of non-UK EU respondents to our survey had 'considered leaving the UK with earnest intent' following the EU referendum result. **It is critical for those individuals and the businesses they work for that the government confirms the status of non-UK EU nationals in the UK and ensures that EU architectural qualifications continue to be recognised within the UK.**

Alongside the potential loss of the right of non-UK EU nationals to live and work in the UK, leaving the EU may create additional barriers for UK architects looking to work in the EU. **The government should seek to maintain transferability of UK services within the EU by ensuring that UK qualifications continued to be recognised in the EU.**

Leaving the EU creates opportunities for the UK to establish relationships with growing markets for UK exports such as Latin America, China and the Gulf as well as our largest trading partners in the sector such as the USA and Australia. **To make the most of the new business climate, the UK should seek mutual recognition arrangements for architects in other large markets** so that UK architects can work in those countries and UK firms can hire local talent to work in the UK.

PRIORITY 2: Trade agreements that open access to foreign markets

- **Prioritise new trade agreements which include trade in services**
- **Maintain mutual market access and avoid non-tariff barriers in trade with the EU**
- **Expand the scope and range of export support programmes for small businesses**

Architecture is a source of significant direct export earnings for the UK – and the potential exists for significant growth. The 2016 RIBA Business Benchmarking survey shows RIBA Chartered Practices generated £474 million of revenue from projects based outside the UK last year, significantly outweighing the £93 million worth of architectural services that were imported into the UK (2014¹). In addition to these direct benefits, UK architects working abroad create wider value - specifying UK products and bringing UK firms with them to work on other elements of a project.

Following the vote to leave the EU, over 20% of RIBA members reported plans to expand into new markets outside the UK. To enable this to happen, it is vital that the UK prioritises agreeing comprehensive trade deals with key export markets. For sectors such as architecture where tariffs are low or non-existent, the biggest barriers to export growth are local rules and regulations. Simply reducing import duties will be of little use if UK architects are barred from working in a country without retraining, or markets are closed to foreign bidders. While the RIBA welcomes moves to open trade negotiations with other countries, opening markets in services will require complex and detailed negotiation. **The UK Government should prioritise new trade agreements which include trade in services.**

Leaving the EU provides the UK with the opportunity to sign new trade agreements with non-EU trading partners. The UK currently has trade deals with just two of its top 10 non-EU trading partners, yet about 60% of UK trade is with non-EU countries². Trade deals with the USA or China alone would give the UK a trade area almost twice the size of the EU. UK architects would particularly benefit from new UK trade agreements with areas experiencing rapidly growing construction markets such as the Gulf Cooperation Council, China, India, Latin America and the USA. The RIBA already has a developed network of country ambassadors and overseas Chapters spanning North America, Far and Middle East, as well as commonwealth countries whose work would be strengthened through new trade agreements.

Our latest figures show that while the EU is not the major market for UK exports – 17% of architects' revenues from overseas come from trade within the EU – it plays a vital role for many parts of the sector. In particular, the EU market has been a stepping stone to other markets further afield for many of the small businesses that make up the majority of the sector. However, issues around access to skills and products mean that it is essential that the **Government seeks a deal with the European Union that maintains mutual market access and avoids non-tariff barriers.**

For the small businesses that make up over 90% of the architecture sector, help with the first steps of international expansion can be a vital boost. Through UKTI and now DIT, architects from across the UK have succeeded in winning contracts in new markets. However, there is much more that can be done. **The Department for International Trade should expand the scope and range of export advisory services and support for trade missions and work with professional bodies to provide market intelligence and opportunities for international expansion.**

¹ RIBA Business Benchmarking Survey

² [HM Revenue & Customs UK Overseas Trade Statistics July 2015](#)

PRIORITY 3: Support for education, research and innovation

- **Avoid barriers to the recruitment of foreign students**
- **Continued participation and funding of pan-EU research projects**
- **Establish research and educational collaboration agreements with new partners**
- **Additional support for the commercialisation of research projects**

Ensuring access to high quality professional education will be crucial to the success of the UK economy in light of a widening of the skills gaps in the construction and design industry. The UK is a global leader in the provision of quality higher education in the architecture sector, attracting the best and brightest student talent from around the world.

As the validator of over 95% of the UK's architecture degree programmes, the RIBA plays a major role in supporting the development of the next generation of architects. In addition, we are currently developing an apprenticeship standard to create new routes to becoming an architect. Further afield, the RIBA validates university courses in architecture in Latin America, the Middle East, Europe, Asia and China.

Foreign students make up around one third of UK architecture students. Currently, around 13% of students are from EU countries³ with a further 20% from outside the EU. The UK gains significantly from our role in shaping the careers of professionals who are open to working and trading with the UK. **It is vital that the UK avoids creating barriers to attracting foreign students.**

International links are also important drivers of innovation. The UK is one of the largest contributors to the EU research budget – contributing €5.4 billion over the period 2007-2013, while receiving over €8.8 billion in direct EU funding for research. Reductions in research funding post Brexit would hit both university- and practice-based architects' research divisions hard.

Collaborative research projects that operate across national boundaries within the EU will also be affected and there have already been reports of UK-based researchers being dropped from such projects currently underway or in development. This risks both isolating the UK research community and the impact of their work, and a 'brain drain' to the EU and elsewhere as researchers seek to retain their funding and university roles, as a researcher with existing funding can move universities within the funding zone but not beyond.

The Government should aim to secure a deal with the EU which enables UK business and academic institutions to continue to participate in pan-EU research projects, similar to the arrangements between Switzerland and Israel and the EU as well as seeking to establish similar partnership agreements with major other major research blocs (including the USA, Canada, Australia, New Zealand, India and China).

There also needs to be a greater focus on promoting R&D in the private sector whether it be in the development of new energy saving or environmentally friendly building materials, or new techniques to speed up house building. UK businesses continue to lag far behind their counterparts in other advanced economies when it comes to investing in their futures. **The Government should examine what additional freedoms to support research and innovation could be created through grants and tax incentives when EU state aid rules no longer apply, helping to support the commercialisation of research projects across the sector.**

³ RIBA Education Statistics

PRIORITY 4: Action to boost the UK's competitiveness including infrastructure investment

- **Ensure that UK road, rail, air and telecoms networks are ranked among the best in the world to underpin the strengthen and growth of the architecture sector**
- **Long-term investment plans and funding to reduce the volatility in the construction market**
- **Flag significant changes to legislation and ensure that transitional arrangements are in place**
- **Ensure that responsibilities for housing, transport, skills and infrastructure are managed at a regional and/or local level**
- **Promote foreign investment in the UK through maintaining the free-movement of capital**
- **Create a more small-business friendly environment by addressing access to finance and public procurement processes**

Taking a 'business as usual' approach will not tackle the competitiveness and productivity challenges the UK faces, which are barriers to maintaining and growing the UK architecture sector. Numerous surveys have highlighted how the UK economy is hamstrung by poor transport, slow broadband and a shortage of housing.⁴ From cumbersome immigration processes to overcrowded transport infrastructure and slow decisions in the planning process, many of the factors that damage the UK's attractiveness to international investment can only be solved through government action. Delaying decisions does not just stop public funds for an area, it also means less private investment. **The Government should set a target for infrastructure spending that ensures the UK's road, rail, air and telecoms networks are ranked among the best in the world.**

As a major customer in the construction sector, the Government has a unique role as both a source of public funds and enabler of private investment. Like other parts of the construction sector, architecture is dependent on long-term speculative investment from around the world. **The Government must set out long-term investment plans and funding for infrastructure, housing and other key sectors to reduce the volatility in the construction market. Where appropriate transitional arrangements should be put in place to reflect the impact of leaving the EU.**

Regional rebalancing of the UK economy, including a drive for greater devolution and capital expenditure in public infrastructure would do much to strengthen the UK economy. The Government must deliver a funding settlement that enables the private investment that can unlock growth across the UK, supporting the 65% of RIBA Chartered Practices working outside of London. **The Government should ensure that key responsibilities for housing, transport, skills and infrastructure are managed at a regional and/or local level.**

The free-movement of capital across the European Union has been a major source of investment in the UK's economy. Any action to restrict capital flows into or out of the UK from Europe and elsewhere would have a devastating impact on private investment. For that reason, the RIBA believes that **Government must prioritise the maintenance of foreign investment into the UK through maintaining the free-movement of capital.**

The RIBA believes the referendum outcome provides an opportunity to examine how the business environment can be made for supportive for small businesses (70% of architects practices employ less than ten people). Areas such as access to funding and public procurement reform will have broad benefits. In particular, **the Government should do more to ensure that procurement policies are designed with a focus on quality and overall value rather than just lower initial cost.** The RIBA's [Ten Principles for Procuring Better Outcomes](#) sets this opportunity out in more detail.

⁴ [CBI AECOM Infrastructure Survey 2016](#)

PRIORITY 5: Common standards and low compliance costs

- **Continued membership of European standards bodies including CEN and CENELEC**
- **Avoiding red tape in the UK market by ensuring that UK standards are compatible with those of our main trading partners**

Just as the mutual recognition of qualifications has helped make UK architects global leaders, many of the same benefits have been driven by the development of common product standards. Harmonised standards and regulations across Europe have promoted investment - driving up quality and cutting costs as economies of scale emerge. The success of this drive and the significant role played by the UK can be seen in cities around the world. Standards set in Europe have increasingly become global standards.

The UK is a leading member of the two main bodies responsible for setting and monitoring European standards in the construction sector: the European Committee for Standardisation (CEN) and European Committee for Electrotechnical Standardisation (CENELEC). Membership of standardisation bodies is not contingent on being a member of the EU, but it is dependent on meeting those organizations' rules. A number of non-EU states (notably Norway and Switzerland) and non-European states (including Israel, Egypt and Morocco) are already members or affiliate members of CEN and CENELEC. The national standards bodies of Australia, Mongolia and Kazakhstan are partners in CEN. Together with the Vienna agreement between CEN and the International Standardization Organization (ISO) there is increasing convergence between European and international standards.

The standards that these organisations have shaped are at the heart of many of the government policies that are driving innovation in the construction sector such as the CEN/TC442 BIM standard which has helped the UK embrace digital construction and the Construction Products Regulations.

Withdrawing from these organisations would leave the UK with two options: maintain European standards without influence over their development, or develop UK only standards which create additional development costs for suppliers, and compliance and training costs for businesses. It is likely that many parts of the sector will continue to find themselves required to use European standards in the UK due to external factors like quality assurance standards and insurance contracts. **It is therefore vital that the UK's influence on international standards is maintained through continued membership of European CEN and CENELEC.**

The UK construction industry imports around two thirds of the building materials used in the UK from the EU. The weakening of Sterling since the referendum has caused a number of challenges – over 40% of our members report increases in the cost of building materials. The imposition of import tariffs on goods entering the UK would add further pressures. The development of standalone UK standards would provide an additional burden.

While there is the potential to drive domestic substitution through industrial policy, many of the advanced products used in modern buildings are highly specialised proprietary technology. This often means the number of potential suppliers is low and the market covers the whole of Europe. Other products simply cannot be produced in sufficient quantities in the UK to meet domestic demand – timber being the most obvious example. **To promote investment within the UK and maintain and strengthen the export market, common product standards must as far as possible be maintained.**