

Brexit Update for RTPI Members

14th March 2017

On the eve of the announcement to trigger Article 50, which will formally begin the process of the UK leaving the European Union, the picture of what Brexit will mean for RTPI members, or any other sector, is still not particularly clear.

Constitutional Process

In terms of the constitutional process, Parliament has been asked by the Prime Minister to authorise the Government's issuing of its notification to leave the EU (i.e. by invoking Article 50). At the time of writing the House of Lords proposed some amendments to the Government's Bill – one was to provide some assurance to EU nationals currently working in the UK that their status will not change and the other was on Parliament's future role in the process. Amendments tabled by the House of Lords would have allowed Parliament to potentially veto any deal the Government strikes with the EU regarding the terms of the UK's withdrawal. However these amendments were rejected by the House of Commons yesterday who voted to pass the EU Withdrawal Bill, and the Lords agreed to not reinsert the amendments. Prime Minister Teresa May will invoke Article 50 this month, the Bill will receive Royal Assent today. There is currently ongoing legal debate about whether the UK can at some point withdraw its notification to leave the EU at some point in the future.

Separately, the Great Repeal Bill will be necessary in order to deal with EU Directives and Regulations that are currently on the UK statute books (through domestic laws, directly effective EU directives and regulations, or, binding European case law).

Legal issues

Although it is likely that nothing will change before 2020 given the Government's huge immediate task, the UK needs to start to plan for the repeal of law and potentially a very different legal environment for immigration, environmental laws and a different trading framework in the next Parliament.

An estimated 30% of UK laws are derived from Europe. Those that could affect us most in the planning profession and indeed for Chartered Institutes like RTPI, are around the environment, data protection, procurement, competition law and the status of professional educational and training standards. In addition, there are issues around what happens to infrastructure, research and organisations that are currently dependent on direct EU funding. There are also issues around what immigration will look like post Brexit – will the Home Office allow for certain skilled professionals to enter the UK, if so, how many and what skills? What about access to unskilled labour – potentially an issue for the wider building industry? What happens to those EU nationals currently living and working in the UK? What happens to UK nationals living and working in the EU?

For the time being, the Government has indicated that it will lift, wholesale, current EU directives and regulations and replicate them in UK law through the Great Repeal Bill. Depending on their content directives are also implemented through the devolved administrations too, for example, EIA regulations are implemented through Scottish law and there can be slight differences in practice as a result.

This sounds fairly straightforward, but masks a whole range of issues - not least what happens when the EU changes their directives, regulations or standards? Will the UK then race to keep up?

Financial issues

Other issues for the planning profession are around the areas that the EU currently funds; from large-scale infrastructure to research projects through the

EU's Horizons 2020 Programme. Grant and loan funding - European Structural and Investment Funds and the European Investment Bank ESIF funding has undoubtedly made a significant contribution to regeneration in the UK. In last week's budget the Government announced its commitment to a £23bn investment in "productivity", – to cover both infrastructure investment and research investment, as well as large investments in the devolved administrations. However, we need to see whether these investments will include provision for the huge need for skilled planners to deliver the infrastructure and housing the country needs to compete internationally. We are very concerned about the viability of University courses in the built environment currently dependent on non - UK students to break even.

Environmental Issues

The Birds and Habitats Directives, the Environmental Impact Assessment and Strategic Environmental Assessment Directives, and the Water and Waste Framework Directives are often cited as the one tranche of legislation that directly affects the planning profession. Planners will need to play a part in ensuring that whatever follows from these for the UK do not represent a lowering of environmental standards and are in some way pegged to the best international standards. There is a great potential role for the UK in leading on environmental standards in the future.

Reducing emissions

The EU has set a target to reduce emissions by 20% by 2020 (from 1990 levels), and European leaders have committed to a further emission reductions of 80-95% by 2050. The EU has produced a low carbon roadmap, which shows how this could be achieved. In 2008 the UK established the Climate Change Act which commits the UK to making an 80% emissions reduction by 2050. An interim target of 56% by 2030 was set in 2016. The UK was also part of a wider European pledge to reduce emissions at COP21. The UK has made progress on reducing emissions from the power sector, but lacks sufficient policies to continue this progress or broaden it to other sectors of the economy like housing and transport.

Renewable energy

The Renewable Energy Directive (RED) sets a target to provide 20% of European energy from renewables by 2020, with a target of 10% of final energy consumption in the transport sector. Renewables here include biomass, wind power, solar power, hydropower, and geothermal energy. Following RED, the UK set an overall renewable renewables target of 15% by 2020, comprising 30% from renewable electricity, 12% from renewable heat and 10% from renewable transport. The UK has made good process on the electricity target, but is not on course to meet targets for heat and transport. It is unclear whether these targets will continue after leaving the EU.

Energy efficiency

The Energy Efficiency Directive (EED) sets a target to increase energy efficiency by 20% by 2020 (from 2007 levels) and requires Member States to set legislation which supports this. The Commission has proposed to increase this target to 30% by 2030. The European Performance of Buildings Directive (EPBD) also requires all new homes to be 'nearly zero-energy' by 2020. It is unclear whether these targets will continue after leaving the EU.

The Department for Business, Energy and Industrial Strategy (BEIS) has committed to publishing an Emissions Reductions Plan. This needs to set out how the UK will boost renewable energy deployment in the heat and transport sectors, improve the energy efficiency of new and existing buildings, and meet the emission reduction targets for all sectors of the economy as required by the UK Climate Change Act.

Common Agricultural Policy and Common Fisheries Policy

Other issues to be considered will be the effect of the exit on EU Common Agricultural Policy and its attendant subsidies to UK farming and the impact on rural land management, rural land values and rural economies. Also with regard to exiting the Common Fisheries Policy, consideration will need to be given to what, if any, impact will be on marine spatial plans and the economies of areas dependent on fishing

Issues for Skills, Standards and the Workforce

Access to skills is one area that concerns a great many industries. RTPI is currently surveying members who employ teams of planners to elicit what, if any, affect Brexit will have on the planning profession's ability to access the skilled workforce. We have been working on creating new routes to membership to broaden the base for entrants to the RTPI, and have been working on establishing Planning Apprenticeships – we have just received Government support for our degree level Apprenticeship which could be rolled out as early as 2018.

RTPI Nations

RTPI Scotland <u>responded</u> to the Scottish Parliament's call for evidence on implications of exiting the European Union last September.

RTPI Cymru <u>responded</u> to the Welsh Government call for evidence on the implications for Wales of Britain exiting the European Union.

RTPI and Built Environment Institutes Joint Working

RTPI has been working to lobby Government on issues that will affect the planning profession post and during Brexit negotiations and the Great Repeal Bill. We have joined forces with the other major built environment Institutes – RIBA, RICS and CIOB to ally our messages.

We wrote to Ministers at the beginning of the new term for Government to flag up our concerns on:

- Access to Skills
- Common Standards (particularly mutual recognition on technical standards and qualifications)
- Research Excellence
- Infrastructure investment
- Devolution commitment
- Community development

The Joint Institutes have consequently been engaging in meetings with Ministers and civil servants from a number of departments, including the Ministry for Exiting the European Union. The Joint Institutes' Brexit group are currently working on an infographic showing the value of the built environment professions to UK Plc and is working on detailed policy statements on each of the above issues. The first, on Standards, will be published in early April.

RTPI continues to work closely with its international counterparts, including those within the EU, in promoting the planning profession worldwide. The RTPI has supported a conference in Budapest with the British Embassy in February 2017, which focuses on British built environment expertise, and we are a founder of the <u>Built Environment Action Group</u>. While the RTPI has 1300 listed international

members, a further group of our members have a significant part of their income coming from overseas contracts. Our response will need to emphasise the value of planning exports and the critical issue that failing to value planning at home will of necessity lead to reduced exports. A linked issue is that a race to the bottom on environmental standards may mean consultancies lose valuable marketable experience.

Whilst the planning profession is not currently directly affected in most of the UK, in Northern Ireland and the Republic of Ireland, planners are already trying to work out how Brexit will affect the one land border the UK has with the EU.

Scotland Independence

Yesterday Scotland's First Minister Nicola Sturgeon announced that she intended to hold a second referendum on Scottish independence Ms Sturgeon said she wanted a vote to be held between autumn 2018 and spring 2019 - but there is speculation that Mrs May will reject the idea of the referendum being held before the Brexit process is completed.

The RTPI Board of Trustees and RTPI Scotland Executive Committee agreed that the Institute maintain a strictly neutral position on the Scottish independence referendum, which took place on 18 September 2014. It was agreed that the Institute does not, and cannot, take a posit ion on political rather than planning issues. This remains the position in respect of renewed discussions on the issue of a further referendum. The Institute will support its Members to making planning work in Scotland, whatever the outcome of any future referendum. Legislation and powers on the planning system are devolved to the Scottish Parliament and Scottish Government.

RTPI will be monitoring the issue of Brexit for our members over the months and vears to come.