Scotland’s relationship with the EU

The Scottish Council of Independent Schools (SCIS) is grateful for the opportunity to submit its views on Scotland’s relationship with the EU, subsequent to the 23 June referendum result.

At the outset, it should be noted that initial feedback from the schools in SCIS membership suggests that it is too early in the political cycle and negotiation process to draw any meaningful conclusions for Scotland from the result. That said, some implications are starting to become evident, and are listed below.

In terms of individual case studies, there are a few reports to give an early indication of sentiment or impact:

- One Scottish boarding school has reported the resignation of one part-time member of staff at the beginning of the academic year. As a EU citizen they no longer felt welcome in the UK. The school reports that it is still to early to gauge what impact the devaluation of Sterling will have upon the important and globally-competitive boarding market.

- Another boarding school has had only one parental comment expressing concern about the implications of Brexit to date. That school recruits in Germany – the single biggest source of international boarders in Scotland - and there has been no reduction in enthusiasm and agents there remain “enthusiastic”.

- A large day school comments that they are alive to the risk of a recession and therefore the amount of disposable income in the system to be spent on education. There is also a perceived risk of relocation of financial and investment institutions away from Edinburgh. If this happens, it will be compounded by the impact it will have on the professional services that support these organisations. This potentially could impact severely on the customer base of the school. In addition, immigration restrictions could have an impact as the school includes parents from across the EU working on various large infrastructure projects in Scotland such as the Edinburgh trams and the new Forth crossing.

- The concern has been expressed that highly popular and valuable projects such as the “Euroquiz”, run by the Scottish European Educational Trust for P7 students across Scotland, and which addresses modern language skills as well as general knowledge of the continent, would suffer from a withdrawal of financial and other support.

However, it is clear that looking forward to a protracted period of complex negotiations, there are whole range of aspects related to independent education in
Scotland that are likely to be affected by the form and nature of the UK’s exit from the European Union.

Oxford Economics in April 2014\(^1\) reported that the independent school sector in the UK overall contributed £713 million in Gross Value Added (GVA) to the UK economy from pupils from overseas, supporting 17,300 jobs and providing £278m in tax payments. Those same pupils accounted for a further £123 million in expenditure and £77 million in tax receipts, while visiting family added a further £53 million GVA from visitors and £31 million in tax. In a similar survey for the modest Scottish independent school sector in April 2016, BiGGAR Economics found that incoming boarding pupils accounted for £29.8 million to Scottish economy in export earnings alone. The top five countries of origin for overseas school pupils studying in Scotland and the UK overall are:

- Hong Kong
- Mainland China
- Germany
- Russia
- Spain

There is a range of other areas in which education in Scotland could be directly and materially affected. These include:

In terms of the teacher cohort:

- Potential restrictions on the freedom of movement and establishment of workers
- Changes to the general system of the recognition of professional qualifications (2005/36/EC) including teachers;
- Reduction in the (already-vulnerable) numbers of overseas modern language assistants and their ability to contribute to the Local Government Pension Scheme;
- The possible introduction of visa requirements – such as Tier 5 – for EU/EEA teachers and other staff;
- Access to the NHS for EU citizens, possibly exposed to the existing immigration health surcharge following Brexit;
- An end to arrangements to prevent double taxation of workers, such as teachers (as currently stands for Austria, France, Germany, Italy and Spain);
- A more complicated or less transparent Disclosure scheme, with a possible end to the automatic exchange of conviction information and access to the European Arrest Warrant.

\(^{1}\) [http://www.isc.co.uk/research/independent-schools-economic-impact-report/]
In terms of employment law:

- Curtailing of freedom of movement – which, in reality, is non-discrimination by nationality;
- Effects upon the supply chain of schools and their suppliers;
- Changes to, or departure from, current European Court of Justice decisions and case law such as “grandfathering” rights of employment and residence;
- Departure from the coverage of the EU Charter of Fundamental Rights;
- Departure from the EU system of pension recognition including the portability of state pensions and the continuance of the UK “triple-lock”;
- Alterations to, or departure from, directives such as Working Time, Equal Pay, Pregnant Workers.

In terms of travel and study:

- EU universities - fee levels for out going and incoming students, access & application process for out going and incoming students, access to research for students and the impact on funding, employment and networks:
- Implications for Visa regimes – within the UK, EEA, Schengen, etc.; and possible extension of Tiers 2 and 4;
- Continued access to cover of the European Health Insurance Card for pupils overseas;
- Continued access to EU consular support in third countries;
- Access to standard driving cover and licence provisions for school trips.

In financial and legal aspects:

- Continuance of VAT thresholds and exemptions such as that on “education”;
- Alterations to, or departure from, the Customs union with the impact on import/export, and on service charges;
- A change to the Data Protection regime, such as the imminent 2018 regulation;
- Changes to intellectual property regulations, affecting copyright licensing etc.;
- Impacts on fundraising due to possible restrictions on capital movements;
- Changes to the public procurement and tariff regimes;
- Alterations to, or departure from, existing environmental and building legislation.
Finally, in impact on **individuals**:

- The potential impact of EU regional funding and Foreign Direct Investment decisions on employment offers and incoming staff;

- The increased professional competition in the school sector from countries with different entrance requirements;

- Implications of a change to, or withdrawal from, the Justice & Home Affairs cooperation and or the European Convention on Human Rights or European Charter of Fundamental Rights;

- Political stability within the UK;

- The overseas reputation of the UK and its openness to overseas students and families.