

Migration Advisory Committee: International students

International pupils in ISC schools

According to the 2017 ISC Census¹, approximately 10% (50,473) of the pupils in ISC schools are non-British and of the 1,301 schools that completed the last Census, 685 are registered as Tier 4 Sponsors with the Home Office.

The 50,473 figure can be further broken down as follows: 46% of these pupils have parents residing in the UK and 54% have parents residing overseas. This is an important distinction as both categories of non-British pupils bring different economic benefits. For example, the pupils whose parents reside in the UK will contribute to the UK economy through their tax contributions, living expenditure and consumer spending whereas the pupils whose parents live overseas will bring with them tourism benefits and expenditure when parents and family members visit the UK.

31% (15,689) of the total number of international pupils in ISC schools is made up of pupils from EEA countries and 37% (5,837) of these pupils have parents living overseas i.e. they would not be in the UK were it not for attending an independent school.

Quantified economic impact of international students at ISC schools

In 2013 ISC commissioned Oxford Economics (OE) to prepare a report on the impact of independent schools on the British economy². OE set out in this report that the economic impacts supported by international pupils at ISC schools arise from three main sources – the fees that they pay to ISC schools; all other spending that they undertake while in Britain; and the expenditure of their friends and relatives who come to visit them while they are at school.

Fees

According to OE's report, international pupils at ISC schools paid an estimated £685 million in fees in 2012. They will have made further payments to schools for extra-curricular activities.

OE also estimated that the fees paid by international pupils at ISC schools supported a £713 million GVA contribution to the British economy, 17,300 jobs and £278 million in tax payments in 2012.

Living expenditure

The living expenditure of international pupils at ISC schools can be directly attributed to ISC schools because the pupils would not be in the UK were it not for their education.

As data on how much international pupils at ISC schools spend on living expenses was not available to OE, they made an estimate based on data collected by Department for Business Innovation & Skills (2013) on the income and expenditure of students at higher educational institutions (HEI). They controlled for age by stripping out items that school pupils are too young to purchase. For the 88% of international pupils that were boarding, key items of expenditure included transport, clothes and mobile phone bills. For the 12% that were day students, the main items were housing, food and transport.

¹ <https://www.isc.co.uk/media/4069/isc-census-2017-final.pdf> (page 15)

² https://www.isc.co.uk/media/2588/2014_economicimpact_report_isc.pdf (page 65)

Overall, OE estimated that international pupils at ISC schools spent £114 million on living expenses in Britain in 2012. Including its multiplier impacts, this expenditure by international pupils supported a £123 million GVA contribution to British GDP, 3,570 jobs and £77 million of tax revenue.

Expenditure by international pupils' friends and relatives who come to visit them in the UK

Visiting friends and families spend money on goods and services – including accommodation, recreational activities and retail – in the areas they visit.

Using visitor expenditure data by nationality from the ONS International Passenger Survey, OE estimated that international pupils' visitors spent £50 million in Britain in 2012.

Incorporating the indirect and induced impacts of this activity, they estimated that spending by international pupils' visitors supported a £53 million GVA contribution to GDP, 1,760 jobs and £31 million in tax receipts in 2012.

Total economic contribution

Combining the impacts set out above, OE estimated that international pupils at ISC schools supported a total GVA contribution of £890 million, 22,700 jobs and £385 million in tax payments in Britain in 2012. In addition to these impacts, OE noted that international pupils' attendance at ISC schools brings subsequent benefits for British HEIs.

Impact on public services

Pupils at ISC schools are generally 18 and under so would not place demands on housing as they will either be boarding at an ISC school or living with parents or a guardian. Anecdotally, ISC understands that an increasing number of independent schools have onsite medical practitioners and the vast majority of international pupils have private medical insurance, thereby reducing their burden on health provision.

As some British parents make the decision to pay privately for their child's education, which would otherwise be a cost to the public purse if their child was to take up a place at a state school, the closure of an independent school could have a direct impact on public services. For example, if a school that relied on fee income from international students found they could no longer recruit international students and more British pupils do not take up those places, they could face the very real threat of closure. Alternatively, they might consider reducing the amount spent on bursaries for UK students which would again impact the number of pupils in the state sector. Most independent schools rely solely on fee income to fund bursaries and according to the 2017 Census 30.8% of pupils at boarding schools received means-tested bursaries. Given boarding is particularly popular with international pupils (approximately one third of pupils in boarding schools are international pupils), British students are essentially being subsidised by full fee-paying international boarders. Boarding has become less popular with British families so these international pupils are not taking places that would otherwise go to British children.

Soft power benefits of international students at ISC schools

British independent schools are recognised as amongst the best in the world. Schools not only provide international pupils with an excellent education but also an introduction, during formative years, to British culture, values and humour. Independent schools are an important pathway provider for UK universities; in 2016, 91% of all ISC school pupils went on to higher education. International parents often choose to send their children to UK schools in order to prepare them for entry into UK universities.

1 in 10 current world leaders are UK alumni (British Council survey 2014³) and links between leading international families and British independent schools sometimes go back many generations and are an essential ingredient of the friendly relationship we enjoy with these countries. HM Government's Industrial Strategy (2013) publication notes stated "*Our independent school sector has been attracting students from all over the world for decades ... Our schools are recognised globally for their excellence ... Our schools have a long history of excellence and innovation, and a global reputation for quality and rigour.*"⁴

International pupils in UK independent schools allow British school pupils to forge relationships and links with international students for the future. British pupils are more likely to have a better sense of other cultures and develop an international outlook and relationships when exposed to the international community at a young age. These links are likely to continue throughout their education and professional careers.

Independent schools are often the first links international pupils form with the UK. They are therefore likely to become accustomed to the UK way of life and as stated in a research paper produced by the Department for Business Innovation & Skills in 2013, form "*a positive understanding of the UK's culture and values...[and] become informal ambassadors for the UK*".⁵ This new generation of students, from various countries (including dominant international powers) will develop links to the UK resulting in a global influence over future professionals, business leaders and political leaders. Independent schools are therefore indirectly promoting the UK to pupils who may return to their home countries and end up in positions of influence taking with them relationships and business connections for the future and trust in the UK.

International competition

The UK's competitor economies are tapping into the international student market and most are seeing growth which far exceeds what the UK is experiencing⁶. Many have relaxed immigration laws to attract international students and the UK is hindering this type of growth by increasingly stringent immigration laws⁷. Australia has reduced regulation for certain countries and Canada is actively targeting international student applicants⁸. If independent schools can continue bringing students in at school level then those students are very likely to continue onto higher education in the UK and form strong attachments to the country, as well as bring talent and skills in areas where there might be shortages.

Case Studies

- A girls' school in the competitive south east currently survives as a consequence of its decision in the 1990s not to close the boarding house at a time others were but instead to open it up to international pupils. Boarding contributes £1.4M in fees and extracurricular activity, doubles the catering (£250K) need and provides employment for six pastoral staff including a nurse who would not otherwise be needed (£300K). 40 boarders travel home three times a year, and at least once a year members of their family visit them in the UK, staying in local hotels and enjoying the London attractions.
- In many rural parts of the UK, independent schools are a major employer, not only of teachers but, crucially, support staff in areas such as maintenance, grounds, catering, cleaning, housekeeping and transport. In Taunton, Somerset, for example, there are four large

³ <https://www.britishcouncil.org/organisation/press/uk-alumni-leading-world>

⁴ <https://www.gov.uk/government/publications/international-education-strategy-global-growth-and-prosperity>

⁵ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/238822/13-1172-wider-benefits-of-international-higher-education-in-the-uk.pdf

⁶ <https://www.iie.org/en/Research-and-Insights/Project-Atlas/Tools/Current-Infographics>

⁷ <http://webaworld.com/emergingopportunities.pdf> (in particular page 6)

⁸ <http://monitor.icf.com/2017/04/measuring-global-market-share-national-targets-international-education/>

independent schools. Taunton School, Queen's College, King's College and Wellington School all take international students, comprising up to 25% of their student body. The four schools employ large numbers of local people in a whole range of such low or semi-skilled positions. Money is also spent by the students in local restaurants, supermarkets, retail outlets and on taxis, while visiting parents use local hotels.

- Scotland: Data provided by the Scottish Council of Independent Schools (SCIS) suggests that in 2015 a total of 1,274 international pupils were attending SCIS member schools. This figure included 1,025 boarding pupils and 249 day pupils who lodge elsewhere in the community during term-time. Data provided by SCIS also suggests that in 2015 the average fee for a boarding pupil was £26,910 and the average fee for a day pupil was £9,095. By applying these fees to the pupil numbers estimated above it was estimated that in 2015 SCIS members generated £29.8 million in export earnings⁹.

About the Independent Schools Council

The Independent Schools Council is a non-profit organisation that represents 1,332 schools in the independent education sector, educating over 500,000 children. Around half of UK independent schools are ISC schools, educating around 80% of all independent school children. ISC schools save the taxpayer £3 billion a year from students not being in state education and contribute £9.5 billion to overall UK GDP.

The ISC's seven constituent associations are: Association of Governing Bodies of Independent Schools (AGBIS), Girls' Schools Association (GSA), Headmasters' and Headmistresses' Conference (HMC), Independent Association of Prep Schools (IAPS), Independent Schools Association (ISA), Independent Schools' Bursars Association (ISBA), The Society of Heads.

The ISC's four affiliate associations are: Boarding Schools Association (BSA), Council of British International Schools (COBIS), Scottish Council of Independent Schools (SCIS), Welsh Independent Schools Council (WISC).

We support the contents of the submission made by BSA and several independent schools that have responded directly to MAC. We would also like to acknowledge the contribution made by the British Association of Independent Schools with International Students (BAISIS) to this response.

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⁹ <http://www.scis.org.uk/facts-and-figures/economic-impact-report/>