

The Economic impact of the requirement for EU students on school trips to have passports to enter the UK

November 2022

1. Background

Statistics published by the British Educational Travel Association (BETA) show that prior to Covid and the UK leaving the EU, the youth, student and educational travel market collectively contributed £28.6 billion to the UK economy with 14.6m youth and student travellers visiting or studying in the UK each year.

These visitors supported over 265,000 UK jobs and are an important component of the UK's soft power objectives and future economic growth as students who come to the UK are more likely to grow up with a good perception of the UK which translates into business, investment and political benefits when they enter the workplace.

There were 1.2m EU students under the age of 18 that visit the UK each year as part of a supervised group to attend English Language Schools, undertake school trips or to take part in cultural and sporting events. These student groups stay in the UK for periods of up to six weeks and collectively they spent £1.0bn in the UK economy. This revenue is not only important for local businesses such as language schools, but also as a source of income for local families who host the students.

Prior to the UK leaving the EU, bringing a school group to the UK from other EU countries was a relatively simple process due to the List of Travellers scheme. Under this scheme, students who were EU nationals, or had the right to reside in the EU, could travel to the UK as part of an organised school group, provided that they were accompanied by a teacher from the school who provided Border Force with a list of the children and their national ID card numbers.

2. Problems caused by the requirement for school children to have passports

Since the UK left the EU, it is now a requirement that all visitors from the EU use a passport rather than a national ID card to gain entry into the UK.

While there are understandable reasons why it may be thought that this policy might improve the UK's security and prevent people from EU countries disappearing into the UK black economy, the introduction of this policy has been nothing short of catastrophic for the school group travel industry. The main reasons for this are:

- A large percentage of EU school students do not have passports. Figures vary by country but, for example, it is estimated that only 35% of Italian school children have a passport

- Many schools have children who are foreign nationals with the right to live in the EU but do not have a EU passport. In addition to the passport requirement, many of these children would also need to apply for a visa to enter the UK.

The cost and organisational problems associated with ensuring that all children in a school group have the necessary passports and visas to enter the UK is such that most schools and operators specialising in providing school trips to the UK have either given up on sending school groups to the UK or are significantly reducing the number of groups that they are sending.

See **Appendix 1** for a case study of the problems faced by German schools sending school groups to the UK.

3. Economic impact on UK businesses

Covid has devastated the UK student travel industry due to the combination of travel restrictions and parents being unwilling to allow their children to travel overseas during a pandemic. Survey work by the Tourism Alliance in January 2022 showed that 81% of English language schools in the UK saw their revenue decline by over 50% between 2019 and 2021 and over 75% reported that they were concerned that their business might fail during the year.

The reopening of UK and EU economies and the removal of travel restrictions should have resulted in an upturn in school group travel bookings for 2022. However, rather than starting to recover, forward bookings remained extremely low with the Institute of Tourist Guiding reporting a 99% decrease in school-group bookings from Europe for the 2022 summer season.

This was supported by data from English UK which indicated that their members would receive only 100,000 students in 2022 rather than the usual 550,000 and that all but 40,000 of these students will come from markets outside Europe. This decrease in EU students groups suggested a loss of around £2.6bn in export earnings and over 40,000 jobs in the sector.

Appendix 2 contains a case study of the economic impact on Hastings which has a large English language school industry

4. Calculating the cost to the UK

4.1 June Survey

In June 2022, the Tourism Alliance, English UK, UKinbound and BETA conducted a survey of European operators that specialise in sending student groups to the UK on bookings for the main 2022 summer season. This survey, which was completed by 235 operators that account for 524,000 student visitors to the UK. This is 44% of the total number of students travelling to the UK as part of a group led by a teacher or supervisor.

The main findings from this survey were that:

- Operators forecast an 84% drop in the number of students coming to the UK as part of a group in 2022 compared to just a 32% decline in students going to non-English EU countries and a 29% fall in students going to Ireland and Malta.

- The 84% drop in student numbers would reduce the revenue earned by the UK from student groups by approximately £875m and cause the loss of 14,500 jobs. In VAT terms, this would equate to a loss to the Exchequer of around £130m in 2022.
- Ranking reasons for the predicted 84% decline in student numbers, 54% of operators rated the requirement for all students to have a passport as a “10” (most important factor), compared to only 15% who rated increased costs at a “10” and 10% that rated Covid Concerns as a “10”.
- Only 23% of operators thought that the number of students travelling to the UK will return to normal in 2023. A further 40% of operators thought that the number of students that they sent to the UK would return to 2019 levels by 2030, while 33% said that numbers would never recover while the requirement for all school children to have passports remained in place.

4.2 October Survey

While the results of the June 2022 survey were extremely concerning, they were a prediction of the decline in the number of student groups travelling to the UK during the 2022 summer season. Therefore, the survey was run again in October 2022 to determine the actual decline in students travelling to the UK.

The new survey was completed by 82 operators based in Europe that specialise in sending groups of students aged up to 18 to the UK for the purposes of attending an English language school, or undertaking an educational, cultural or sport-related trip to the UK.

Together, these 82 operators were responsible for sending 306,000 students to the UK in 2019, which equates to just over 20% of the market and, as such, is a representative sample of the businesses in this segment of the market.

Findings

The main finding from the October survey is that these operators sent a total of 37,069 students to the UK up until the end of August 2022. This was 83% down on the number of students (219,633) that they sent to the UK during the same period in 2019. This 83% reduction in student numbers is almost exactly the same as the 84% reduction that these operators predicted during the June survey.

By comparison, these operators sent 18,446 students to Ireland up to the end of August 2022 which is down only 29% on the number of students that they sent to Ireland in 2019. The actual figures for the number of students that these operators sent to Ireland is exactly the same as the prediction that the operators made for this market in the June Survey.

Similarly, the number of students that these operators sent other EU destinations (325,223) was down 32% on 2019, which is exactly the decline that they predicted in the June survey.

These results highlight just how accurate the predictions of the decline in student group visitor numbers and revenue to the UK were in the June 2022 survey.

When asked the reasons for the 83% decline in the number of students that they sent to the UK during 2022 using a scale of 1-10 (1=not important and 10 = highly important) the average scores for each reason were:

- **The Requirement For Students To Have Passports To Enter The UK** **8.0**
- **The Increased Cost Of Travel To The UK** **6.4**
- **Concerns Regarding Covid** **5.5**
- **Concerns Regarding Safety** **3.1**
- **Concerns Regarding Congestion/Delays At Borders** **4.2**
- **Other Concerns/Difficulties** **3.5**

Importantly, 56% of the businesses surveyed ranked the requirement for all students to have a passport as a “10” compared to only 24% of operators ranking the increased cost of travelling to the UK and 9% of operators ranking concerns regarding Covid as a 10%.

Again, these figures are almost the same as the June survey and highlight the fact that it is the requirement for all students to have a passport that it the predominant reason for the 83% decline in student number to the UK in 2022. The exception is concerns regarding the cost of travel to the UK which increased from 15% to 24% in October which reflects the rising cost of living facing all countries in Europe.

Finally, the operators were asked when the student group travel market to the UK would recover if the requirement for all EU students to have passports is maintained.

In the June survey, 23% of operators thought that the market would return to normal in 2023. In this survey, the number of operators that continue to hold this view has dropped to just 13%. However, the number of operators that think that the market will return to normal by 2030 has risen slightly from 63% to 71%. Nevertheless, 27% of operators still believe that the market for student group travel to the UK will never recover to 2019 levels while the passport requirement remains in place.

The decrease in optimism for 2023 reflects both the impact of rising costs on demand and that much of the planning for 2023 overseas travel by both EU based travel operators and recipient businesses in the UK that handle groups of children under the age of 18 has already been undertaken.

As such, the final question posed to operators was how many students they will send to the UK and other destinations in 2023.

The responses to this question were:

Country	Number of Students Sent in 2023	2023 Student Numbers as a Percentage of 2019 Student Numbers
UK	128,000	42%
Ireland	36,000	95%
Other EU	524,000	90%

This shows that the student group travel markets to Ireland and other EU countries will almost recover to pre-Covid levels in 2023 whereas the UK market will still be down by 58%.

This means that, in addition to the £875m loss in revenue to the UK economy this year, there will be a further £600m loss in revenue to the economy next year (a total of almost £1.5bn in export earnings and approx. £200m in VAT receipts to the Exchequer)

This loss of export earnings and Government revenue highlights the urgent need to find a solution to this problem.

5. What a solution would look like

A new Youth Group Travel Scheme would need to be similar to the previous List of Travellers Scheme whereby students travelling to the UK accompanied by a teacher or supervisor would be able to enter the UK using a collective passport. The use of this collective passport would be available for use by all students able to show that they have a right to live in the EU.

The reason for this is that school groups often contain a mixture of EU/EEA citizens and third country nationals, some of whom will be from refugee families resettled in the EU from Syria, Ukraine and elsewhere. If these third country nationals cannot travel with their group due to the expense or difficulty of obtaining a passport and a visa, European operators are likely to choose another EU country that continues to recognise the EU list of travellers scheme.

This problem is compounded by inclusivity requirements in many European countries that prevent school trips if a certain number of students in the class are unable to travel due to cost or logistic difficulties (in Germany the limit is 10% of students in a class – i.e. usually around 3).

6. Risks associated with implementing a new scheme

There are no significant risks associated with developing a Youth Group Travel Scheme. Prior to the UK leaving the EU there was no evidence the List of Travellers Scheme was being abused as a route of entry into the UK. There is no evidence of school children ever being a security risk or leaving their school group to live and work in the UK.

School groups would still be required to travel with a teacher or supervisor who would have to travel on a full passport and be legally responsible for the school children during their stay in the UK (which ensures that the group remains together at all times, including on arrival and departure), while each child would still have to provide their national ID card details

Appendix 1

Case Study - Germany

The German market provides a good example of the problems facing school groups travelling to the UK.

The majority of German children do not have a passport and the 35 EUR cost of an EU passport represents a financial burden on families with a low-income background, especially considering that the passport will most likely not be required for any other travel.

On top of this, around 15% of all schoolchildren in Germany are nationals of other countries that require a visa to enter the UK. Not only does this place an additional financial burden on these families with the UK tourist visa costing 95 GBP, it also presents a significant organisational burden for both the child's family, (the visa needs to be applied for in person either at the UK Embassy in Berlin or the Consulate in Dusseldorf) and on the teacher trying to organise the school trip.

Compounding this organisational problem is a German law that requires schools to choose an alternative destination for a school trip if 10% of the children in the class cannot travel to a specific destination due to reasons specific to the destination (e.g., passport/visa rules). That means that if only three pupils in a class of 30 say "I can't travel to the UK because the visa is too expensive or I don't have the means to travel to Berlin to apply for it", the teacher has to take the class to a different destination. To avoid the possibility of this problem occurring, many teachers and operators simply decide at the outset that they will take their students to a different English speaking country such as Ireland or Malta.

Appendix 2

Case Study – Impact on the Economy of Hastings

Hastings is one of the biggest players in the language student market, going back over 50 years to the early 1970s. In 2019, there were 20 English language schools in the town. Hastings Borough Council estimates that 35,000 overseas students, predominantly from the EU, come to the town every year to attend short courses at these schools.

While attending these schools, most students were hosted by local families who earn additional income from taking-in students.

Altogether, these students spend £35m per annum in the local economy - a very significant and important source of income for a community ranked as the most deprived town in the South East and the second most deprived seaside resort in the country after Blackpool.

Of those 20 schools, at least three have gone out of business and up to four of the larger operators have withdrawn from the south coast and are concentrating on the major cities.

Six operators have reported that they have done no business at all since Covid hit, and are expecting small numbers, or none at all, in 2022.

Many of the schools have had to lay off most of their staff, and the impact on host families has been very significant. The Council thinks that Hastings will be lucky to achieve 5% of their pre-pandemic student levels in 2022, potentially costing local economy around £33m.

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