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Brexit uncertainty a worry for the education sector

New research¹ from specialist insurer, Ecclesiastical, has revealed that the impending split from Europe is the second highest concern for the education sector.

When asked how worried they were about a series of emerging risks, 39% of schools, universities and other education establishments cited leaving the European Union as a major concern, just seven per cent below the implications of new technology and above the risk of assaults on staff (37%).

Unsurprisingly, universities and business schools were the most concerned about Brexit, with fears over the impact on student numbers and cuts to EU research funding being highlighted. However, almost a quarter (23%) of all of those educational establishments surveyed were worried about the general rise in costs that may occur following the split.

Angus Roy, niche director for education at Ecclesiastical, said: "There is naturally concern in the education sector regarding the impact of Brexit. The negotiations and the Brexit strategy remain unclear, making it difficult to plan ahead and manage the associated potential risks."

"Depending on the nature and terms of the eventual agreement with the EU, the fallout could leave many in the sector with recruitment issues, particularly if they are faced with finding replacements for EU staff who may have to leave the country. Changes to the eligibility for EU students to study here and the associated fees could seriously impact student numbers and income. Alongside this, any downturn in the UK's economy and fears over impending change may also impact UK student applications."

Angus added: "In particular, independent schools which generally have a higher proportion of European students may face reductions in school admissions as families relocate to mainland Europe as a reaction to Brexit. With so much uncertainty, it's not surprising that Brexit is so high on the sector's risk radar."

Contact sports and being oversubscribed were also identified as areas for concern by around a third of those surveyed (34% and 32% respectively).

****Ends*****

Notes

PRESS RELEASE

1. This research was conducted by FWD research on behalf of Ecclesiastical Insurance. 121 education establishments were contacted and interviewed by telephone between November and December 2016. The survey included Independent Schools, State Foundation VA Schools, Academies, Free Schools, Further Education, Universities, Business Schools and Nurseries. In each case the person responsible for arranging insurance was interviewed. Participants were asked to give their views on a wide range of risks associated with the education sector.

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Notes to editors

1. Owned by a registered charity, Allchurches Trust, Ecclesiastical is a unique financial services organisation. With its main operations and headquarters in the UK, Ecclesiastical also operates in Australia, Canada and Ireland.
2. Ecclesiastical is a specialist insurer of the faith, heritage, fine art, charities, education and private client sectors.
3. Founded in 1887 to provide insurance for the Anglican Church, the company now offers a wide range of commercial insurances, as well as home insurance, selling through brokers and directly.
4. The Ecclesiastical Group also includes award-winning investment management business, EdenTree Investment Management, which provides a range of ethically screened investment funds.
5. Ecclesiastical is one of the UK's top five corporate donors to charity in the 2016-17 UK Guide to Company Giving. Other 2016 awards include Better Society Awards, Insurer of the Year and Post Magazine, Claims Awards, Customer Care winner.
6. In 2014, Ecclesiastical Insurance Group launched its vision to donate £50million to charity in a three-year period. In March 2016 the Group announced that it had reached its target almost a year ahead of schedule and that figure now stands at £67m.
7. Many businesses say they are different. Ecclesiastical really is. Find out why at www.ecclesiastical.com/ourstory