

The 'B' word

Are childcare providers planning for the UK's exit from the European Union? And what impact is the uncertainty having on their business? By **Katy Morton**

With Brexit fast approaching, and no clear idea of what will happen next, the childcare sector, along with the wider economy, is in limbo.

This uncertainty and inability to plan has generated increasing headlines for months as businesses grow increasingly vocal about their frustration, with reports that as many as one in three British companies will move operations abroad if there is a 'hard Brexit'.

In the childcare sector, Jennie Johnson, owner of Kids Allowed, says, 'I refuse to plan for something I can't plan for.' Tony Driffield of Mama Bears says it's difficult to make contingencies 'when you don't know what will happen'.

A survey by the Confederation of British Industry (CBI) of its members found that a lack of consistent information is making preparing 'difficult'. Yet businesses are being advised to do just that.

Ian Tucker, partner at law firm Burges Salmon, says, 'The current lack of clarity makes it hard to put in place firm plans, but all businesses should at least be undertaking a review of the risks posed to their current operations.'

The NDNA calls current advice 'very patchy'. 'The information the Government has sent to schools is extensive, but not much of it is



relevant to early years providers,' explains NDNA head of policy and external relations Jonathan Broadbery. 'The Welsh Government is being proactive, however, carrying out a study about how Brexit is likely to affect its early years workforce, but we don't have the results of that yet.'

Mr Broadbery says it hasn't heard from any of its members that they are making preparations ahead of Brexit day, which it attributes to uncertainty about policy-making.

Food

In preparation for a no-deal Brexit, Kids Allowed has put measures in place in case of a food shortage, including preparing 'emergency menus' and stockpiling goods.

The nursery group's owner Jennie Johnson says its plans are in direct response to reports suggesting there could be limited fresh produce due to delays at customs, which is likely to push up the cost of fruit, vegetables and dairy. Around a third of the UK's food comes from the EU.

'We only use fresh produce in our nurseries so food security is a big concern,' says Ms Johnson.

'We have come up with an emergency menu, using dry and non-perishable foods. The menu

Kidz Kabin has many Spanish staff and no plans to stop recruiting them

won't be up to the usual standards – it will be simple, but tasty.

'We have also stockpiled four weeks' worth of food. It's the type of food we will use such as pasta, rice and tomato sauce. There's no point stockpiling things such as tins of Spam, for instance, and we can't stockpile fresh produce as we don't have the space for more fridges or freezers. We hope that after four weeks things will be back to normal.'

Catering company Apetito, which supplies meals to nurseries across the country, says it has prepared for the 'uncertainties' of Brexit by doubling its stock of 'raw materials' and increasing the number of pre-made meals it holds.

The caterer says, 'In the event of a deal with the EU that involves continued frictionless trade in goods, we do not anticipate any problems with continued supply.'

EARLY YEARS WORKFORCE

Given that a significant proportion of the childcare workforce are EU nationals – more than 37,000 last year, according to the Labour Force Survey – there are concerns about their post-Brexit status and what the position will be for new EU

Brexit timeline

June 2016: Brexit referendum

March 2017: Article 50 triggered to leave the EU

November 2018: Draft withdrawal deal agreed between UK and EU

January 2019: Prime Minister's deal rejected by Parliament in historic defeat

29 March 2019: Brexit deadline

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nationals wanting to come to the UK for work. The Education Policy Institute (EPI) has warned that Brexit could put additional strain on the ability of the sector to recruit if inward and outward migration is affected.

Once (if?) we leave, EU nationals are likely to be subject to a single immigration policy (see box).

The London Early Years Foundation (LEYF), which draws at least half of its employees from Europe, says it has sent letters to all its EU staff to provide reassurance about their future, including links to Government guidance. 'We wouldn't be able to operate the business if our EU employees weren't able to stay in the country,' says the group's operations director Mike Abbott. 'We are watching closely what happens in Parliament and are lobbying the Government to make early years exempt from the proposed immigration rules, which will favour skilled workers and subject EU nationals to a minimum income threshold.'

At Mama Bears, EU nationals make up just over 5 per cent of the nursery group's staff, with the majority from Poland and Spain.

Owner Tony Driffield says it is focusing on providing reassurance and support to EU national employees who are nervous about their future.

'Staffing is our number one concern and I don't think Brexit will



Kids Allowed 's food stockpile

help that, but it's a case of minimising the impact', says Mr Driffield. 'However, I don't envisage the Government will go ahead with plans to restrict EU nationals in the country who contribute to the UK's economy.'

Patrizia Diaz, owner of The Italian Day Nursery in South West London, says some of her staff, the majority of whom are EU nationals, have been applying for British passports as they are 'scared'.

But she hasn't given it too much thought, as she has permanent status having been in the UK since 1982.

'We used to have lots of Italian girls come knock on our door looking for a job, but this has changed since the EU referendum,' she adds. 'It used to be that qualified Italian teachers would come to the UK and then search for a job. They have either gone back home or are not coming to the UK.'

This chimes with new figures from the Office for National Statistics,

which show 57,000 more EU citizens came to the UK than left in the year ending September 2018 – the lowest level in a decade.

Linda Symons, owner of Kidz Kabin nursery group who recruits Spanish teachers for her three settings, says there is nothing she can do to prepare.

She argues, 'I won't let Brexit get in the way of me employing EU nationals. I don't see Brexit as a challenge. [It is not] definite it will even happen.'

'The Government can't expect to have a mass exodus of EU staff. I don't believe they can do that. It would mean HMRC losing a great deal of tax. I think there has been a lot of hype around Brexit and I have no faith that it will even happen as the Government can't come to an agreement.'

QUALIFICATIONS

Existing recognised qualifications from EU countries will remain valid in the event of no deal. The UK National Recognition Information Centre (NARIC) provides official information on the UK equivalence of international qualifications (both EU and rest of the world). NARIC's early years service finds out if an applicant is qualified to work as a Level 2 or 3 practitioner in England. A spokesman for the service said it would be in place post-Brexit. More information is available at www.naric.org.uk/earlyyears ■

Deal or no deal? What current guidance says on migrant workers*

By Caroline Robins, of law firm Eversheds Sutherland

Under a deal:

- EEA citizens will be able to live and work in the UK without further restriction until 30 June 2021.
- It will be necessary for EEA (other than Irish citizens) and Swiss citizens to apply for settled or pre-settled status through the EU Settlement Scheme before 30 June 2021. The process will open fully on 30 March 2019.
- Applicants can apply for settled status if they started living in the UK before 31 December 2020, and have lived in the UK for a period of five continuous years (subject to some exceptions).
- If applicants do not have five years' continuous residence when they apply, they will usually be granted pre-settled status as long as they started living in the UK before 31 December 2020.

- EEA migrants arriving in the UK after 31 December 2020 will need to abide by the UK's Immigration Rules and apply for a working visa. The current process favours skilled workers due to its minimum skill and salary criteria (currently £30,000 per year).
- A Government consultation is underway to implement a new skills-based immigration system. This is unlikely to happen until January 2021, with government guidance saying: 'It is important that we allow sufficient time for granting status to resident EU citizens before we start to implement the new skills-based immigration system because until the resident population have been granted status, it will not be possible for employers... and others to distinguish between pre-exit residents who are eligible to remain in the UK on broadly the same terms as now, and later arrivals.'

A no-deal scenario, where we leave the EU on 29 March, is likely to mean:

- The EU Settlement Scheme will continue to run, but applicants will need to have been resident in the UK by 29 March 2019. Applications must be made under the EU Settlement Scheme by 31 December 2020.
- Free movement will end on 29 March 2019, so EU nationals (except Irish citizens) entering the UK from 30 March 2019 will need to apply for European Temporary Leave to Remain in order to stay in the UK longer than three months.
- A new skills-based immigration system will take effect from January 2021. The final situation won't be clarified until we know what kind of deal we get – if any – and the Home Office publishes its immigration policy – expected in January 2021.

*Guidance correct as of 8 March 2019.