RSACADEMICS
HELPING SCHOOLS THRIVE

October 2020

GOOD NEWS! NUMBERS ON ROLL AT UK INDEPENDENT SCHOOLS THIS AUTUMN

During September and early October 2020, I interviewed Heads, Bursars, Registrars and a Marketing Director at 23 different schools around the UK, carefully selected from our network of clients and friends. The purpose was to find out about their student recruitment and retention at the start of the new academic year and how the overall picture compares with last year or with their expectations.

In addition, I was keen to find out whether any of the much-talked-about hypotheses or phenomena were being borne out at their school: students transferring from the state sector in greater numbers than normal and families moving out of London due to changing work patterns and lifestyle choices. I was also keen to find out if there had been a dip in international student numbers as many expected.

This short report contains the main findings from those conversations. In sharing these findings, however, I must emphasise that this is a small-scale, qualitative study. The schools involved represent all the main school types and age ranges (e.g. boarding and day, coeducational and single-sex, junior, senior and all-through) and they are located in many different parts of the country. However, we cannot claim that this is a robust and representative study. It is merely a set of stories and some interpretation which we share as part of our ongoing mission to help schools thrive and to inspire useful discussion.

Russell Speirs
CEO RSAcademics Ltd

Overall, student numbers are very strong this Autumn

Most of the schools were experiencing record numbers and all of them said numbers were better than expected or feared. Phrases such as “the largest we have ever been” or references to “record numbers” were commonplace. Many other schools talked about numbers “holding up well” or being “pretty resilient”.

For the most part, the increase in numbers was in the day segment and was due to state-educated children being attracted by the high quality remote learning provision last term. To a lesser extent it was due to families moving out of London. However, some schools did “over book” places: fearing the worst, they made more offers than usual and have been pleasantly surprised by the result.

Schools which have seen a growth in numbers were adamant that this was the result of a lot of hard work over many months:

- Running a fully operational admissions office over the summer holidays, ready to service short-notice enquiries and visitors.
- Spending a lot of time reassuring and informing future joiners, particularly overseas boarders.
- An outstanding online provision which was appreciated by current parents who told others.

Many schools we spoke to had also experienced a much smaller-than-usual loss of pupils, be it between Years 6 and 7 or Years 11 and 12 or just generally. In a time of uncertainty, we suspect people wanted to stick with what they know and have their children looked after by teachers who knew them well.

There has been a decline in numbers in some segments: the youngest cohorts and international boarders

In the few schools which had seen a decline in numbers, the decline was "smaller than we had feared". Overall, where there had been a decline in day pupil numbers it tended to be in the junior part of an all-through school or in a stand-alone prep school. For the most part, the decline was caused by registered new joiners not being able to take up their place, particularly in Reception and Nursery classes. In the relatively few cases where existing day parents had withdrawn their child, this also tended to be in the KS1 and KS2 cohorts. The reason given by parents to the school for not enrolling or for leaving was almost always financial.

The ability to pay the fees depends, very often of course, on the occupation of the parents. While many independent school parents' ability to earn money has remained more or less unaffected by the pandemic, parents working in hospitality, tourism and the arts have obviously been affected. Dentists, opticians and doctors with private patients have also been hit as have airline pilots. Schools in more rural, tourist locations would appear to have taken more of a hit.

We know from other research we have undertaken recently ([The parents' perspective during the pandemic]) that some schools have forfeited the goodwill of parents through their mishandling of fee discounts and communications, particularly early on in the crisis. However, none of the schools we have researched this term said they had lost parents for this reason. Instead, what our interlocutors did tell us, is that they have benefited from an influx of families leaving independent schools whose online education fell short of expectations. These schools, we were told, were quite often smaller schools where the technical infrastructure and equipment were not up to scratch or where staff were less able to pivot to the new learning environment. Some of these smaller schools were just that: smaller! Town houses with cramped staircases and little outdoor space might be regarded as less safe by some parents, we were told.

The other segment which appears to have suffered – in some but not all schools – is the international boarder segment. More on this below.

Based on our conversations, we would expect to see declines in overall student numbers in those schools where international boarders make up relatively high proportions of the school roll and who cannot rely on a nearby day market. We would also expect to see overall roll declines in smaller schools whose online provision was not perceived to be of high quality.

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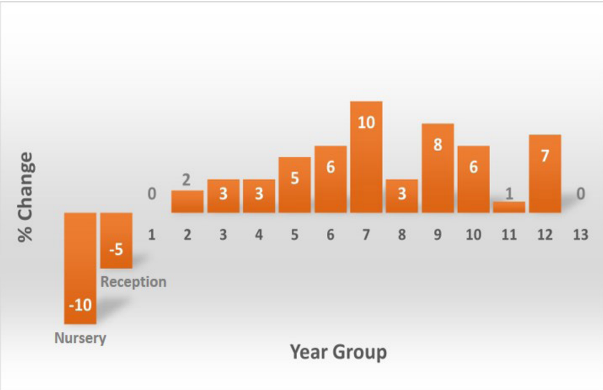
The overall picture

The graph below has not been constructed from a large set of empirical data but from what we were told in our interviews. We cannot claim that it is accurate and, any uplift in places is dependent on the availability of places. However, when we tested the validity of its overall shape with our interviewees, it received general approval. Please, therefore, consider its general shape, rather than the specific data points.



Illustrative change in day pupil numbers September 2020 vs September 2019

There has been greater enrolment of children transferring from the state sector

All the schools we researched, except the most expensive boarding schools, had seen an increase in enquiries from this segment of the population, to varying degrees. The levels of interest from state-educated children seemed to be lower at the more expensive independent schools in our survey and higher at those schools with lower day fees. Some schools did not have any spaces to take up the extra demand but those that did saw these pupils join at all different age groups. We found no evidence that the flight to the independent sector was more concentrated around Year 10 or Year 12 i.e. the start of public exam courses, as we had expected. The move seemed to be across the age range, except among the very youngest.

In almost all cases, the motivation to join an independent school for the first time stemmed from dissatisfaction with the remote education received last term and their view that the provision had been significantly better in the independent school in question. Many were switching to an independent school in case remote learning was needed again. However, even more were choosing an independent education because last term's experience had highlighted a difference in the quality of provision more generally and a recognition of the importance of a good education.

In many cases, the families had been able to afford independent education before the pandemic – they had not seen their wealth increase during the Spring and Summer – but had not previously been convinced of the relative value.

UK boarder numbers do not seem to have been affected although international boarder numbers are slightly down

Some schools have seen a 10-20% decline in international boarder numbers, although many have only experienced the very smallest of falls and a minority have seen no decline at all.

There does not seem to be a pattern in terms of nationalities and behaviours. One school we spoke to had seen three new boarders fail to arrive who had paid their deposit some time ago, three others who enquired about a place over the summer holiday and who did arrive in September and three more who have remained in their home country but have chosen to continue at the school by accessing lessons, teachers and recorded lessons remotely. All nine students are from the same country.

There are more new international students who have not "shown up" than existing international students who have not returned i.e. most international boarders have remained loyal and have physically returned to their UK school. In almost all cases, the reasons for not enrolling (or not returning) are due to fear of infection and/or not wanting their child to have to quarantine upon their return. In some countries, particularly in China and Hong Kong, the quarantine regime is very strict and could be distressing for children.

Some students have told the school that they merely wish to defer joining until it feels safer. Indeed, in one girls' boarding school we researched, 40 boarders are at home in East Asia, studying online, hoping to return in January. This 40 includes 10 new students.

The international boarding segment that seems to have been hardest hit is the "short-stay" students, due to come for one or two terms, mainly from European countries. This has almost dried up entirely, we were told. Some schools that have international students joining for short-stays, often from Europe, are still hopeful that these students may arrive in January or at Easter.

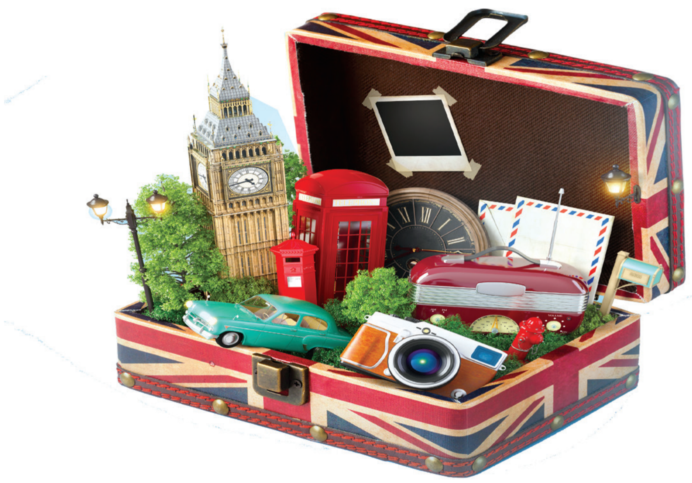
UK boarder numbers do not seem to have reduced, overall. In those schools where the boarding numbers have reduced, this is in line with recent trends and, in many cases, part of a strategy to increase day pupil numbers. (We know that a large number of schools with 50% or more boarders are actively looking to create or grow their day market. COVID-19 will have helped them achieve this.)

We spoke to one boarding school, known to be much in demand and academically selective, whose Registrar had received a noticeable number of enquiries from international parents who were looking for a fee reduction or a drop in the academic entry hurdle. The parents in question had assumed that his school would be short of students and prepared to change the financial or ability-level parameters for entry. They were, to quote the Registrar "taking a punt!"

Many schools have been affected by families moving further away from London

Most of the schools in London that we spoke to have seen some families moving away and having to give up their child's school place, although these places have often quickly been taken up, or compensated for, by new enrolments or greater than expected levels of student retention. The families that are moving out tend to be the wealthier families and those in more senior executive roles or those in jobs that can be carried out from a home office. In London schools where the parent body is more eclectic, demographically speaking, there has been less movement.

Many schools further away from London have benefited. In some cases, parents have been able to sell their expensive London home, buy a suitable home for a proportion of their sales price, and free up enough money to secure many years of school fees. The schools that appear to have benefited from this phenomena seem to be the day schools, or schools with day places, both prep and senior, located between one hour and three hours' commute from London. Schools located near popular commuter towns, with quicker mainline access to London's main stations, have also seen increased enquiries from families looking to leave central London, but many such parents have been unable to find suitable houses for sale.



Other observations, insights, predictions and recommendations

One significant change which is beginning to emerge in some parts of the day market is the desire to reduce travel time to school and avoid school buses or public transport. One Head we interviewed had just bought two new bicycle racks because of increased demand.

Thinking more of the "bigger picture", another positive legacy of the recent and current challenges is likely to be that education is more highly valued by people. For some, this will mean being prepared to pay independent school fees, while for others it could mean appreciating the work of teachers more and taking greater interest in their child's learning.

Another positive outcome could well be that league tables become less important, at least temporarily, as parents place more emphasis on the school's remote learning capabilities and the quality of pastoral care. The ranking of exam results may also be considered less valid.

Most schools we spoke to are prepared to lower the academic entry hurdle if that helps to safeguard their financial future. While this would not appear to be needed just yet, it may well happen in the next year or two. This would radically change the independent sector and, many would say, for the better.

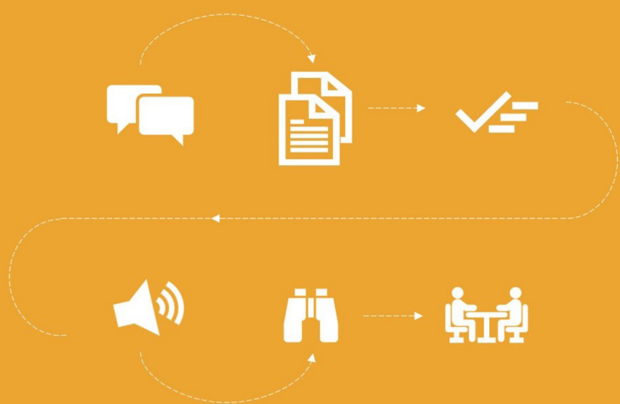
In many cases, schools are finding that they have more funds available this term than expected but this, of course, depends on a wide range of factors: the size of the fee discount last term, their dependence on lost commercial enterprise income over the summer, previous financial commitments and, of course, the collection of fees and the number of parents receiving financial support. On the whole, there would appear to be almost no parents who defaulted on fees last term from our research sample. The number of parents now requiring support with fees, through a bursary or adjusted payment schedule, is also lower than most schools expected or budgeted for.

Even if their financial position is better than expected six months ago, most schools in our survey said they would still need to consider withdrawing from the teachers' pension scheme in the next year or two. However, with one exception, the Heads and Bursars we interviewed said that this was not something to take on right now, when teachers were exhausted and, in many cases, had not received a pay-rise this September.

When they look further ahead, some of the people we spoke to are concerned that some financially challenged parents will "squeeze through to GCSEs" or to the 11+ and then be forced to withdraw from the sector for financial reasons. The current uncertainty about the evolution of the pandemic, the development of a vaccine, the government's response to outbreaks and the economic impact on the country make predictions impossible. Our interviewees were at best, "cautiously optimistic" and at worst "worried about what is over the horizon."

So, how will schools behave when they feel relief because of the unexpected uplift in their income and worry because of the uncertainty about the future? The answer varies from school to school but most feel that now is the time to do everything possible to recruit and retain students and to review cost structures. Practically speaking this means:

- continue to provide the very best education possible
- analyse one's operation carefully to remove costs and increase accessibility without reducing educational quality
- invest time and resources into parent communications
- invest in new facilities and equipment where possible, without incurring excessive debt
- put even greater effort into marketing and admissions, to ensure a strong pipeline of students for the next year or two
- build on the increased demand from new market segments.



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