Buckingham Journal of Education 2023 Vol 4 No 2 pp 121–130, DOI: 10.5750/tbje.v4i2.2209

INDEPENDENT SCHOOLS IN 2024

Barnaby Lenon[*]
School of Education, University of Buckingham,
Buckingham, United Kingdom

OPINION

I have been the chairman of the Independent Schools Council for the past 10 years. Our main job is to collect robust data on the sector and to prevent journalists from saying untrue things about our schools or politicians from doing bad things to our schools. We are a coalition of a number of independent school associations: the Independent Schools Bursars' Association (ISBA), the Association of the Governing Bodies of Independent Schools (AGBIS), the Heads' Conference (HMC), the Girls' Schools Association (GSA), the Independent Association of Prep Schools (IAPS), the Society of Heads (SoH) and the Independent Schools Association (ISA).

There are about 2,500 independent schools in the UK, over 600,000 pupils, 6% of the total. Of these 600,000 pupils, 554,000 are in ISC schools. The schools that are not members of ISC tend to be very small.

To understand the potential impact of the imposition of VAT, we must understand the characteristics of these schools.

Most are small – half of ISC schools have under 290 pupils and a quarter have under 155 pupils. Therefore, most are local junior schools for young pupils.

Of the 1,395 schools, only 434 have any boarders. There are 66,000 boarders, 12% of the ISC total. In most schools with boarders, fewer than half the pupils board; only eight schools are exclusively boarding schools. So the big boarding schools like Eton are far from typical. The typical independent school is in fact a small school for young, day pupils.

There are 62,000 non-British pupils in our schools, 36,000 of whom have parents living in the UK. The largest groups are from mainland China and Hong Kong. In the overall scheme of things, not a vast number. The proportion of students in our schools with parents living overseas has remained the same since the ISC census started in 1974.

40% of pupils in ISC schools are from a minority ethnic background, quite similar to the state sector. Most of these are British.

18.6% of ISC pupils receive special needs support and many of the country's special needs schools are independent schools with pupils paid for by the local authority.

[*]Corresponding author: e-mail: Barnaby.lenon@buckingham.ac.uk

In fact, many independent schools have a particular specialism – quite apart from the special needs schools, there are music and dance schools, like the Yehudi Menuhin School in Surrey or the Royal Ballet School in London. There are many cathedral choir schools. There are schools with a particular excellence in sport, such as Millfield which has produced so many Olympic medallists. There are schools that are highly selective academically, such as Westminster or St Paul's Girls School, although most independent schools are not selective in this way. There are religious foundations and schools for overseas pupils. These are, on the whole, types of schools that are thin on the ground in the state sector.

Another specialism of independent schools is single-sex education, particularly for girls. A total of 126,000 ISC pupils are in single-sex schools, most of them being senior schools and majority being girls. The Girls' Day School Trust schools constitute a large part.

Many independent schools are quite old, they include all the oldest schools in Britain and most pre-date the foundation of state schools.

Many independent schools are part of a multi-academy trust, such as United Learning or the King Edward's Foundation in Birmingham, so they work alongside state schools in their trust.

What about fees? The average day fee is £16,000 and the average boarding fee is £40,000 a year. Notably, 34% of pupils get a fee reduction, worth about £1.2 billion this year. This comes in the form of scholarships, but mainly means-tested bursaries. Half of pupils on means-tested bursaries have more than half their fee remitted, and over 9500 pupils pay no fee at all. In recent years, there has been a shift from non-means-tested scholarships to means-tested bursaries.

Most independent schools engage in some sort of partnership with state schools. These range from quite small matters, such as sharing facilities, to projects that cost independent schools millions of pounds a year. For example, Eton College has helped set up two state schools: Holyport College and the London Academy of Excellence. Holyport College is an exceptional state boarding school near Maidenhead, which has been part of a very close partnership with Eton since 2014. It is situated seven miles from Eton in the village of Holyport, a geographical proximity that enables a broad and intensive range of partnership activities to take place.

Holyport College is rated 'outstanding' by Ofsted. It has exceptional GCSE and A-level results and the majority of its students go off to Russell Group universities.

The London Academy of Excellence in East London opened in September 2012 and was the first Sixth Form college to be set up under the government's Free Schools scheme. LAE is in an outstanding, heavily oversubscribed school located in the heart of Stratford. LAE has had a transformative effect on sixth-form provision in Newham; Eton co-sponsors the LAE alongside five other independent schools.

In Autumn 2015, the LAE was named 'State Sixth Form College of the Year' by *The Sunday Times*. In Autumn 2022, 31 pupils from the London Academy of Excellence were successful in gaining places at Oxford and Cambridge. This result brought the school's tally to over 150 Oxbridge offers in 8 years. With over a third of their Oxford and Cambridge offers going to students eligible for free school meals and 92% to BAME students, LAE is continuing to fulfil its founding mission of reducing educational inequality and improving social mobility.

In 2023, it was announced that Eton College and Star Academies will shortly set up three state sixth forms, based on LAE, in Dudley, Middlesbrough and Oldham.

Another example of independent schools helping the neediest in society is the Royal National Springboard scheme that has placed over 1,000 children in care or on the edge of care into boarding schools on full bursaries paid for by the schools themselves. Children in care are the lowest-achieving group in the UK, with only 35% passing two or more A levels. The figure for Springboard children is 99%.

Independent schools are admired throughout the world. The people who send their children across the globe to independent schools find it extraordinary that, in Britain itself, these schools are under attack.

Independent schools only survive because they offer something that parents are willing to pay for – unlike state schools, which can be forced to attend to pressure from Ofsted or the Department for Education but are not responsible for parent views in the same way. If an independent school is not very good, it will close.

SO WHAT ARGUMENTS ARE PUT FORWARD FOR PRESERVING INDEPENDENT SCHOOLS?

(1) Parents' should have the freedom to spend money on their children's education if they wish.

The UN Declaration of Human Rights 1948 states that *'parents have a prior right to choose the kind of education that shall be given to their children'.* Independent school parents have already paid for their children's state education through taxation but choose not to take it up. Children belong to parents, not to the state.

(2) Private medicine supports the NHS and the parallels with education are obvious.

It is noted that 8% of the NHS budget is spent on private providers. They are a source of additional supply and innovation and are often more cost-effective than NHS providers.

Dentistry and opticians are NOT free…you pay. All GP practices are privately owned by the GPs, and they are not owned by the NHS. Doctors are

permitted to buy buildings for their surgeries which are then "rented" back to the Department of Health, often for far more than the mortgage repayments. The surgery is then sold off – either to another doctor or a developer – when the GP retires and they are allowed to keep the profits from the sale of the building.

(3) The state does not run schools especially well.
Those who can remember the 1970s accept the Thatcher diagnosis that the government cannot run things well. It could not run telecommunications, the railways, an airline, the mines, steel works, energy and water supply or car plants. It struggles with schools. The shocking incompetence of the DfE with the 2020 exam results and the incredible turnover of Secretaries of State in the last 4 years are recent examples. Taking control out of the hands of local authorities has increased the role of central government and its struggles. Despite this, most state schools are doing well and state school leaders are excellent, but they are not helped by the government.

(4) They help the country
Independent schools get good exam results and provide some of the best pupils to our top universities. They contribute greatly to their local communities, not least in terms of employment. They are responsible for attracting many overseas business families whose decision to work in the UK is contingent on the high quality of independent schools. They produce many students for our universities, including overseas students. Boarding schools and independent schools that have opened branches abroad are part of the push to develop trade and diplomatic links across the world, fulfilling the government's post-Brexit ambitions. British independent schools are generally regarded as being the highest quality schools in the world.

(5) Independence from government is a good thing
Independent schools are independent of government. They do not have to use the state-endorsed exams such as SATs at the age of 11 years or GCSEs. At the University of Buckingham, we support St Edward's Oxford in the development of alternatives to GCSEs – more interesting courses, with a better syllabus and better assessment.

(6) They save the taxpayer a huge sum
In their 2022 analysis, Oxford Economics found that if independent school pupils took up the state school places to which they were entitled instead, then the British taxpayer would have to bear significant extra costs. For all UK independent schools, the total taxpayer saving is around £4.5 billion per annum.

(7) They prop up activities that are dying in state schools, not least classics, music, modern languages and sports. Our schools also achieve a high proportion of the top A-level grades in 'strategically important subjects' such as maths, chemistry and physics.

SO WHY ARE SOME PEOPLE INTENT ON DAMAGING INDEPENDENT SCHOOLS?

We know from public opinion surveys that the majority of people do not think that independent schools should be classified as charities (not all are incidentally – many are privately owned). Most are classified as charities because they have an educational purpose and are regulated by the Charity Commission.

Charitable status brings some benefits. These include tax reliefs on income (primarily corporation tax), stamp duty and mandatory business rates relief. Under Labour's current proposals, schools might retain charitable status and still be subject to regulation by the Charity Commission, but without associated tax reliefs.

It is obviously not good that 20 out of 57 prime ministers went to just one school. This could be blamed on historical reasons were it not for the fact that the 20 includes two of the last five. However, the schools themselves are not to blame. Etonians are ambitious perhaps and more aware of the political system. It is the constituency candidate selection process that is to blame.

The historic success of independent schools leads many commentators to blame them for limiting social mobility. Professor John H. Goldthorpe, Oxford sociologist and the leading researcher in the field, made this unequivocal statement in 2016: '*The historical record clearly suggests that to look to the educational system to provide a solution to the problem of inequality of opportunity is to impose an undue, and I would say an unfair, burden upon it'* (Goldthorpe, 2016).

'The Golden Age for social mobility was the middle decades of the last century. The key driving forces were, on the one hand, the growing demand for managerial and professional personnel in corporate business, central and local government and the welfare state; and, on the other hand, the falling demand for manual workers, especially in the extractive and manufacturing industries, resulting from technological advance and changing patterns of international trade. And what may in contrast be noted is the very limited part that was played by education – if only because among those cohorts who chiefly benefited from the Golden Age, education was still thin on the ground'.

The main barrier to social mobility is the failure of the economy to generate more high-skill jobs. Governments wanting to improve social mobility should concentrate on improving the economy, not damaging independent schools.

The number of pupils in independent schools is small. The way to improve social mobility is not to push back the 6% but pull up the 94%, especially the 24% on free school meals.

What about fees? Some rich families send their children to independent schools, but the typical independent school parent is an upper-middle income family where both mother and father work and the whole of one salary goes on school fees.

Independent schools are not the only ways in which parents choose to spend money on education. Notably, 23% of UK parents spend money on private tutors, for example (HSBC survey, 2017). New research in 2023 from Unifrog revealed that 45% of young people in London and the southeast have had a personal tutor at some point in their school careers. Tutoring is now so commonplace in London that it is regarded as just another after-school activity.

Government spending on state schools is simply inadequate to guarantee high quality. Spending has not kept up with inflation, especially at the sixth form level, and state schools are now having to cut staff and subjects offered. Governments do not want to put up taxes, and education is not as politically important as the NHS or defence, so under-funding remains a huge issue.

48% of the population go to university where they pay fees, often supported by parents. With university tuition fees plus maintenance loans, even for very low-cost subjects such as English and history, the average independent school fee is looking reasonable. There was a time when all students going to school or university paid nothing. Now universities are allowed to charge £9,250 pa; when you add in maintenance loans that is a bit more than private schools – £50,000 over 3 years.

PROBLEMS FROM THE PERSPECTIVE OF THE INDEPENDENT SCHOOLS THEMSELVES

There are two main worries that independent schools face at the moment:

(1) Rising prices and unaffordability.
Fees have risen faster than pay since 2010, and some groups that used to send children to private schools have been forced out – for example, doctors, MPs and journalists. This was not, as some people claim, because of a facilities arms race, but because of the rise in teachers' pay in the state sector, the increase in National Insurance contributions and the increase in the employers' contribution to the Teachers' Pension Scheme. Many private schools are now withdrawing from the TPS for this reason.

Therefore, rising fees has squeezed the market for independent schools and this has become more of a problem since 2010 because of poor economic growth nationally and, since 2022, rising energy costs and high inflation.

(2) Universities operating Access schemes.
The Office for Students encourages universities to help pupils from under-represented groups, such as pupils on free school meals, to apply to and be admitted by these universities. They have been successful in this respect. On

the whole, this has not impacted independent schools because most universities have grown rapidly in the past few years: they are taking more students from under-represented groups but not fewer from independent schools.

The exceptions to this pattern are Oxford and Cambridge, which have not grown much at all and have increased the numbers coming from overseas schools. This together with an increase in the numbers from state schools (mostly top state schools in prosperous areas) has reduced the number coming from independent schools. For this reason, there is now a greater emphasis on independent school pupils going to top universities in America, often on scholarships.

WHAT OF THE FUTURE?

In recent years, the number of pupils in independent schools has remained quite stable. Sometimes, schools merge or close, but every year even more start up.

A LABOUR GOVERNMENT IN 2024

School fees are exempt from VAT under current UK VAT law. The VAT exemption for schools does not directly rely on the schools' status as a charity. The test is whether the school is a school '*within the meaning of The Education Act 1996…'* in England (with similar laws applying to the rest of the UK), which applies to proprietorial schools as well as those owned by charities.

It seems very likely that Labour will win the 2024 election and impose VAT on parents' school fees. We know from surveys of parental income, many undertaken by the consultancy Baines Cutler (2023), that a 15–20% fee increase will force some parents to move their children into local state schools. This will increase the cost to the taxpayer and create problems for over-stretched state schools. Middle-income parents will move house to be in the catchment area of the best schools, driving up house prices and probably displacing the children of less prosperous parents.

The Labour Party claims that the purpose of applying VAT is to raise the money they need to improve state schools. Although the figure they quote (£1.7B) is felt by some observers to be optimistic, this sum is arguably far from the level of additional spending needed by the state sector. This is why unions such as ASCL are so sceptical.

Meanwhile, independent school governors need to be prepared for the possible impact of VAT by planning ahead. They need to limit the scale of the fee increase in the first year of VAT (maybe September 2025) by cutting costs, so that the schools themselves share some of the pain with the parents. They need to be building up reserves in the hope of finding more, not less, bursary

money for those parents in financial difficulty. They should be using fees-paid-in-advance schemes if these can shield parents from VAT.

Clearly, most schools will lose some pupils. Some smaller schools make very small surpluses and they are most vulnerable. Some junior schools will merge with senior schools, and some will join together in small groups to gain economies of scale.

Independent schools will want to cut costs. That is easier if you are a large school making decent surpluses. Schools can cut unpopular subjects or expensive courses such as the International Baccalaureate, but this only works if some staff are then made redundant. Baines Cutler's research suggests that in some independent schools, too many staff have generous timetable remissions as well as pay increases if they take on additional responsibilities. Expensive teaching staff are often used for work which could be done as well by less expensive employees, such as coaching sports.

One way of cutting costs is to increase class sizes, but small junior schools often cannot do this because there is inadequate demand to allow them to do so.

Other areas where costs may be cut are spending on bursaries and partnerships. This would represent a significant backward step after the positive trends of the past 20 years.

The Liberal Democrats and the Tories are opposed to the imposition of VAT on school fees.

OTHER OPTIONS

Looking to the longer term, what policies might emerge that affect independent schools?

There are two.

(1) More rigorous policing of the Charity Commission's requirements.
Schools with charitable status are required to provide some public benefit. Many do a great deal, especially through partnerships with the state sector of one type or another. However, not all schools do a great deal. The Liberal Democrats are keen on the idea of measuring the level of public benefit provided by each charitable school as a condition of them remaining a charity. This was also the policy of Theresa May in the short period she was Prime Minister.

(2) Assisted places
Before 1976, the most successful schools in Britain were arguably the Direct Grant schools, such as Manchester Grammar, Leeds Grammar or St Edward's Birmingham. These were private schools, but any pupils could apply for a place by taking the 11 plus exam and, if they were successful, the local authority paid for that place on a means-tested basis. I was such a pupil at Eltham College in the 1970s. Direct Grant schools were scrapped by the Labour government in

1976 and most became fully fee-charging. Assisted Places were introduced by Margaret Thatcher in 1980 but dropped by Blair in 1997.

It is possible to imagine a future Conservative government reintroducing a version of this. It might, for example, provide parents with a voucher worth the cost of a state school place (say £7,000) and such parents could apply to private schools that might admit their children for no more than the value of the voucher.

Or a government could restrict such assisted places to the sub-groups who need them most, such as children in care or those on free school meals.

Many senior schools are academically selective, and local state schools would not want their best pupils stripped out by private schools operating a free places scheme. Therefore, a future government could insist that such pupils were admitted to an independent school regardless of academic ability. This would pose a challenge to those schools whose particular niche is the achievement of top academic results.

Every parent wants to give their child a good start in life. In part, this means choosing a school that best meets their child's needs. For some, that might involve moving into the catchment area of a good state school, others opt for the school closest to where they live, while sending their child to an independent school is an option for some. VAT is arguably an unimaginative policy that will damage good schools. Why not instead improve access to those schools for the children who would benefit from them most?

REFERENCES

Cutler, B. (2023). *Independent Schools' Financial Benchmarking Survey.* Baines Culter.

Goldthorpe, J. (2016). Social class mobility in modern Britain: changing structure, constant process. *Journal of the British Academy*, *4*, 89–111.

Independent Schools Council. (2023). *ISC Census and Annual Report*.