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Investigating bursaries and other means-tested support at elite English private schools

Authors:

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Executive Summary

Means-tested support is one way that private schools with charitable status aim to demonstrate their public benefit, as they are required to do under the rules that govern charities.

The Independent Schools Council (ISC), which lobbies for private schools, carries out an annual census of its members. The 2024 survey census report showed that overall nominal expenditure on means-tested support had increased from the previous year (ISC, 2024). However, there are important questions that the annual ISC report does not explore, such as whether spending on this support has increased as a percentage of schools' income. In response, this report aims to add detail on the nature and extent of private schools' spending on means-tested support.

Our analysis focussed on the annual accounts submitted to the Charity Commission by 215 Headmasters' and Headmistresses' Conference (HMC) member schools in England. We then conducted a school-level analysis, exploring the nature and variety of means-tested support in this sample.

Key finding 1: The percentage of overall fee remission spent on means-tested support has increased slightly, but around half of all fee remission is not means-tested

When we look at total spending on fee remission, including discounts, scholarships and bursaries, we see that the average spending on means-tested support represents around half of total spending. Over time, this has increased slightly:

- 53.0% in 2020-21;
- 54.2% in 2021-22;
- 54.9% in 2022-23.

This means that around £1 in every £2 of fee remission is not currently means-tested. In 2022-23, non-means-tested fee remission equalled approximately £185 million.

Key finding 2: Schools vary considerably in the number of students they assist and in how much money they give in means-tested support

The 215 English HMC schools in this analysis are far from uniform in their approach to means-tested support. In fact, we find evidence of considerable variation while some schools allocated substantial amounts of resources to means-tested support, others offered relatively little. For example, while one-in-two schools spend 5% or less of their gross fee income on means-tested support, 6.7% of schools spent more than 10% of their gross fee income in this way.

Even for schools with similar gross fee incomes, there were substantial differences in the spending on means-tested support. Schools with a gross fee income of around £30 million in 2023 varied between a £0.5 million spend and an almost £5 million spend on means-tested support.

Key finding 3: Real-terms spending on means-tested support, and spending as a percentage of gross fee income, has not risen over time

While nominal spending on means-tested support has increased over time (£201 million in 2020-21; £206 million in 2021-22; £224 million in 2022-23), real-terms spending has not risen, i.e. when inflation is accounted for. Specifically, we see real-terms spending decreased from 2020-21 to 2021-22, followed by a marginal rise in 2022-23:

- £201 million in 2020-21;
- £191 million in 2021-22;
- £194 million in 2022-23.

We see a similar pattern when this spending is considered as a *percentage of schools' gross fee income:*

- 6.00% in 2020-21;
- 5.62% in 2021-22;
- 5.65% in 2022-23.

Many schools offered hardship bursaries during the Covid pandemic, which could have inflated the 2020-21 figure. Hence, it seems likely that the time-trend represents a flat-lining of means-tested spending as a percentage of schools' income, rather than a long-term decreasing trend. Nonetheless, these findings add important nuance to the well-publicised fact that nominal spending on means-tested support has increased over time.

Key finding 4: The number of pupils in HMC schools receiving means-tested support has declined

The number of pupils receiving means-tested support has decreased over the three years we analysed:

- 15,105 in 2020-21;
- 14,413 in 2021-22;
- 14,028 in 2022-23.

This decrease is also seen in the average percentage of pupils receiving support in each school:

- 11.4% in 2020-21;
- 10.6% in 2021-22;
- 10.2% in 2022-23.

We also found the number of pupils receiving full-means-tested support has increased. This suggests that some schools are moving to a smaller number of higher-value bursaries. However, the absolute number of students receiving this type of support remains relatively low, with our estimates comparable to the ISC's finding of 1.4% in 2023-24.

Key finding 5: Reporting standards within private schools' annual accounts are of variable quality, consistency and completeness

The Charity Commission requires all private schools to submit annual accounts that show how they are providing a public benefit, but there is limited guidance for their contents and structure. We found a large amount of variation between reports, with information pertinent to schools' public benefit often missing.

For instance, in our research, we were primarily interested in schools' spending on means-tested support; in the number of pupils on means-tested support; and in the number of pupils on full means-tested support. Only 30.7% of schools provided that information across all three years.

This has implications for the completeness of the data we were able to use in this report, and we are clear throughout about these limitations. However, it also has broader implications, limiting the ability of researchers, policymakers and the public to assess private schools' public benefit.

Overall, these findings contribute to debates about the public benefit of elite private schools.

Recommendations

In response, we offer the following recommendations:

1. Schools should enhance the transparency of their reporting on fee remission in their annual accounts.
    a. Three types of fee remission (total fee remission; scholarships and bursaries; and means-tested support) should be reported separately, as well as the number of pupils in receipt of each.
    b. Spending on types of fee remission should be given as a percentage of gross fee income, alongside providing the absolute monetary value of awards.
    c. Information about the criteria for receiving means-tested support should be published. This should explain both the approximate cut-off for receiving any support, as well as an indication of the levels of income needed to receive 50%, 75% and 100% means-tested support.
    d. Aggregate data on the pupils who receive types of fee remission should be reported, e.g. relative proportions of British and international pupils.
2. Trustees at schools that offer less spending on means-tested support, when compared to schools with similar gross fee incomes, should evaluate whether their public benefit contributions are adequate.

Introduction

The financial status of Britain's private schools is under increasing scrutiny. Historically, private schools have benefited from the VAT exemption applied to all educational providers, while the approximately 50% that are charities also received an 80% remission on business rates in England and Wales. The Labour government applied VAT to school fees from January 2025 and will remove schools' 80% reduction on business rates from April 2025.[1] The policy has been projected to raise around £1.7 billion per year by 2029-30 (Office for Budget Responsibility, 2024). The Government pledges to spend this tax gain on public services for children and young people, including training 6,500 new teachers (Labour Party, 2024).

However, the Government's policy has been controversial. One line of critique argues that increasing the tax burden on private schools will reduce their capacity to spend money on bursaries that allow poorer children to attend. According to these critics, it is these children who will lose out on a high-quality education and the social mobility it facilitates, since private schools will choose to save money by reducing their financial support for poorer children (Griffiths et al., 2024).

This argument has been made several times in parliamentary debates. During one discussion Conservative Member of Parliament Alexander Stafford asked of Shadow Secretary of State for Education, Bridget Phillipson:

> *"Does she not appreciate that all private schools have a duty to give bursaries and scholarships? I myself went to a private school, and I could only afford to do so on a bursary. Does she not understand that her plans will destroy that, making private schools the privilege only of the super-rich and absolutely destroying the middle classes?" (HC Deb, 2023)*

In the ongoing debate, as in the example above, means-tested and non-means-tested support are often conflated. It is important, however, to maintain the distinction. Means-tested fee remission takes family income into account and can be in the form of either bursaries or scholarships. Meanwhile, non-means-tested fee remission can be in the form of either scholarships (awarded for academic, musical or sporting merit) or other targeted discounts: those for siblings of current pupils, and for children of school staff, military personnel, or the clergy. It is possible for a student to receive a mixture of both means-tested and non-means-tested fee remission.

For clarity, this report adopts the following definitions:

- Means-tested support: any bursaries or scholarships that are awarded with regard to families' ability to pay.
- Bursaries and scholarships: any bursaries or scholarships that are awarded by the school, whether means-tested or not.
- Total fee remission: any fee remission, whether from bursaries and scholarships, or other discounts (e.g. staff, siblings, military, or clergy).

1 This move would remove the VAT exemption for private schools across the UK, as well as remove the 80% remission on business rates in England. The business rate remission has already been applied in Scotland, and there are similar proposals in Wales (Maisuria et al., 2024).

Fee remission is one of the most important ways that private schools with charitable status aim to meet their requirement to operate for the public benefit, alongside other activities such as partnerships with state schools (Fryer, 2023; Wilde et al., 2016). The Charity Commission's guidance states that charities must not be run 'in a way that excludes the poor from benefit.[2] That could happen if the charges a charity makes for its services or facilities are of a level that the poor cannot afford'. It goes on to say that 'the level of provision that trustees make for the poor must be more than minimal or token' (Charity Commission, 2013, pp. 16–17). The Charity Commission explicitly does not seek to define the term 'more than minimal or token' provision for the poor; nor does it scrutinise individual private schools for their public benefit, since a legal ruling in 2011 that 'it is not possible to be prescriptive about the nature of the benefits which a school must provide to the poor nor the extent of them' *(Independent Schools Council v the Charity Commission and Others, 2011, para. 217; Clough, 2024)*. While private schools are still required to file annual trustees' reports that must include financial accounts (The Charities (Accounts and Reports) Regulations, 2008), the structure and content of these are not prescribed, and there is limited follow-up from the Charity Commission.

Although the distinction between the three types of fee remission is not formally recognised within charity law, we argue these distinctions are important. In particular, because only means-tested support is allocated with regard to families' ability to pay, we believe this support is the most relevant to any discussion of public benefit and/or levels of access to private schools. For this reason, means- and non-means-tested support should not be conflated. The research reported on here aimed to add clarity to the public debate by maintaining the distinction between these different types of fee remission.

It is necessary to make two additional points about means-tested support. First, as noted by Malcolm James and colleagues (2022), the figures that private schools claim to spend on means-tested support does not reflect the 'actual cash costs to the schools' (p.189). Schools tend to report their spending as 'income forgone' (James et al., 2022), i.e. the income they would have received had the student paid the full tuition fee. This is a higher figure than the *actual marginal cost to educate one additional student*. In this way, schools' annual accounts over-estimate schools' actual spending on means-tested support; James and colleagues (2022) label this an 'accounting sleight of hand'.

Second, there is evidence that some schools provide means-tested support to families with substantial incomes. For example, Brighton College (2024, p. 2) explains that 'if a family's total gross income is greater than £100,000 per annum then a bursary is very unlikely to be considered'. However, a household income of £100,000 would correspond to being in the top 15% of UK households.[3] The fact that it is unclear how much of this means-tested

2 While it is beyond the scope of this report to examine how private schools identify students in need to financial aid, it should be noted that the Charity Commission (2013, p. 16) has defined 'the poor' as beyond 'the very poorest', to include those 'of modest means'.

3 This was calculated using the IFS tool available here: https://ifs.org.uk/tools_and_resources/where_do_you_fit_in. Data input included: two adults; two dependent children (0-13 and 14-18); household income (£100,000); average annual council tax of £1,578 (https://www.gov.uk/government/statistics/council-tax-levels-set-by-local-authorities-in-england-2023-to-2024/council-tax-levels-set-by-local-authorities-in-england-2023-to-2024#average-council-tax-per-dwelling).

spend is likely to go to pupils from families with low incomes, is an important caveat to any discussion about means-tested support and contributions to the public benefit.

In this report, we investigate the extent and nature of spending on fee remission for 215 English HMC schools. Our key aim is to investigate the total spend, and the total number of pupils in receipt of, the different types of fee remission, with a particular focus on means-tested support. Our school-level analysis complements and builds upon Henseke and colleagues' (2021) work that has explored how scholarship and bursary provision varies across the population, finding that around 15% of privately educated students received this support from 1997-2017. The report also complements the Private Education Policy Forum report on private-state school partnerships (Fryer, 2023), by contributing new evidence to debates about the public benefit provided by private schools.

Methods

This report investigates the fee remission provided by HMC schools, an association that was founded in 1896 to protect and represent the interests of high-status private schools. We achieve this through an analysis of schools' annual accounts submitted to the Charity Commission. Due to data availability at the Charity Commission, we focus on English HMC schools, adopting the same sampling frame as Gamsu (2022).[4] This resulted in a sample of 215 schools, which 'includes most of the more expensive and socially-selective private schools' (Gamsu, 2022, p.1245).[5] These schools represent a more privileged and elite sample than the 1,400 members of ISC, or the 2,421 English private schools (Department for Education, 2024).

Data for the 215 English schools was manually extracted from Charity Commission annual reports for the years 2020-21, 2021-22, and 2022-23. After an initial pilot on 20 schools, a standardised data extraction spreadsheet was created and applied across the entire sample. Data collection took place in June and July 2024, with some further extraction in September 2024, given some schools submitted their 2022-23 annual accounts late. Although our key focus was means-tested support, we extracted data on several aspects of fee remission, including:

- Spending on fee remission: the monetary value of fee remission provided by the school, including bursaries, scholarships and discounts.
- Total number of pupils receiving fee remission from the school.
- Spending on bursaries and scholarships: the monetary value of fee remission, excluding discounts (e.g. sibling and staff discounts).
- Total number of pupils receiving scholarships and bursaries.[6]

4 Gamsu (2022) explains that he excluded Scottish, Welsh and Northern Irish schools due to their annual accounts not consistently being available from the Charity Commission. He also explains that he excluded HMC members in 'large school groups based on faith or gender (e.g. United Church Schools Trust, Girls' Public Day School Trust)', as these large groups present particular challenges to examine institutional finances (Gamsu, 2022, p.1245).

5 Gamsu's actual sample was 216, as one school (Wisbech Grammar School) converted to a non-charitable organisation in 2020.

6 This information was not always clear. When possible, this was calculated using the formula: 'No. pupils on scholarships' + 'No. pupils on bursaries' – 'No. of pupils receiving both bursaries and scholarships'. When information about pupils receiving both bursaries and scholarships was not available, we assumed this was zero.

- Spending on means-tested support: the monetary value of fee remission associated with means-tested support. This included hardship support, when this information was provided.
- Total number of pupils receiving means-tested support.
- Total number of pupils receiving full-means-tested support: the number of pupils receiving means-tested support that paid for all of their tuition fees.

To put this spending and pupil numbers into context, we also collected the following:

- Total number of pupils at the school. For charities that operate more than one school, we consider the total number of pupils within the group, e.g. including a prep school, as spend on bursaries is often reported across the entire group.[7]
- Gross fee income. This includes the income from tuition fees before any financial support or waivers are applied. We did not include other fees, e.g. registration or music fees, when these were provided separately within the accounts.
- Total income. The total income includes tuition fees and other sources of income, e.g. renting facilities or franchising overseas satellite schools.
- Total expenditure. The total expenditure includes the costs of running the school and operating the schools' other services.

We then combined these variables, calculating the spending on different types of fee remission as a percentage of gross fee income, total income and total expenditure. Similarly, we calculated the percentage of pupils at the school receiving the three forms of fee remission. Real-terms spending was also calculated from nominal values; the annual rate of Consumer Price Index, including owner-occupiers' housing costs, was used as a deflator (2023 = 6.8%; 2022 = 7.9%), so real-terms figures reflect 2021 prices.

Given we expected, and experienced, challenges with data collection due to missing, ambiguous and inconsistent reporting, we took some steps to test the reliability of our data. First, some of the statistics we calculated can be compared with findings from the ISC, albeit the HMC schools are likely to represent a more affluent sub-section of schools. Many of our statistics are very close to the ISC numbers, and we did not find any statistics that differed in an unexpected way. We took this as evidence that our dataset was robust.[8] Second, double coding was applied to 121 schools, representing over half of the dataset. This double-coding was not performed randomly; schools with ambiguous data were flagged for a second opinion.

Our specific research questions, related to each English HMC school, include:

1. What is the total spend on different types of fee remission?
2. How many pupils receive different types of fee remission?

7 At times, pupil numbers were not stated within annual accounts. In these cases, we: 1) sought to calculate the total number of pupils through other means, e.g. emissions per pupil data; or 2) used information from www.get-information-schools-service.gov.uk.

8 The most sizable differences relate to the findings on full means-tested support. We would expect our sample to display a higher proportion of pupils on full means-tested support, compared with the ISC, as the HMC schools are more likely to have the monetary power and size to offer these larger bursaries.

Our analysis prioritises a school-level lens, calculating averages across the schools in our sample (i.e. the mean spending or mean pupil numbers), as well as the extent of the variation between schools.[9] To enable comparisons between schools of different sizes, proportional statistics were calculated, such as the proportion of students receiving means-tested support. We adopt both cross-sectional and longitudinal approaches—the former focussed on the latest available data from 2022-23, whereas the longitudinal analysis also considered 2020-21 and 2021-22. In the longitudinal analysis, we limited the sample to schools that provided data across all three years, in order to enable fair comparisons between different years. Given that schools often reported information related to some forms of fee remission but not others, each of the analyses has a slightly different sample, based on which schools supplied this information across three years. Further details on the sample are given in individual figures and tables, as well as Appendix Table 4.

A few other methodological points need to be made. First, we found evidence that some schools offered bursaries to Ukrainian children and other refugees from 2021-22. For example, we found 88 of these awards in 2022-23, all of which were full-means-tested awards. We included these pupils in our analysis, which may influence trends in our dataset. In particular, the figures on number of pupils receiving full-means-tested support may be somewhat inflated for 2021-22 and 2022-23—the 88 awards represent 3.3% of the total awards (2,677) in 2022-23.

Second, 2020-21 and 2021-22 were significantly impacted by Covid-19. Particularly in the former year, many schools offered tuition fee discounts to parents. Again, this context is relevant when interpreting any time trends in the data, particularly the value of overall fee remission, as some schools offered a blanket reduction in fees for all parents.

Third, in cases of missing data, we have tended to exclude this from our sample. However, it is possible that this missing data is not random. An alternative explanation is that missing data is more likely to be from schools that offer less of this type of fee remission, as these schools have less incentive to report this within their annual accounts. In this way, our data should not automatically be generalised to all HMC schools, particularly in cases where the statistic has been generated on the basis of a relatively small sample, as will be seen in the number of pupils receiving full-means-tested support.

9 Within this report, we prioritise an analysis of the association of school characteristics with various types of fee remission. This was judged to be beyond the scope of this report.

Findings

Inconsistent reporting of information about means-tested support

Reporting standards within schools' Charity Commission annual accounts were of variable quality, consistency and completeness. While many schools offered a clear statement about their spending on various forms of fee remission, others failed to report a range of key information. Table 1 shows the percentage of schools that offered complete information for each key statistic across the three years considered in this analysis.[10]

Table 1: The number of schools providing complete data about means-tested and non-means-tested fee remission from 2020-21 to 2022-23 (n=215)

	Number of schools	Percentage of schools
Spend on all fee remission	206	95.8
Pupil numbers with any fee remission	63	29.3
Spend on scholarships and bursaries, excl allowances	101	47.0
Pupil numbers on scholarships and bursaries, excl allowances	61	28.4
Spend on means-tested support	163	75.8
Pupil numbers on means-tested support	144	67.0
Pupil numbers on full means-tested support	88	40.9

We found that one-in-four schools did not report their spending on means-tested support, and one-in-three schools failed to provide the number of pupils receiving this support. Similarly, six-in-ten failed to provide information about full means-tested support. When we looked at the number of schools that provided complete information about these three key statistics (spend on means-tested support; number of pupils on means-tested support; and number of pupils on full means-tested support), only 30.7% or 66 schools provided this across all three years. This means seven-in-ten schools did not provide this key information within their annual accounts, and this lack of transparency imposes a considerable limitation for researchers, policymakers and the wider public to assess schools' contribution to the public benefit.

In addition, it was not uncommon for schools' annual accounts to be ambiguous and opaque with regard to key statistics. In this way, Table 1 may over-estimate levels of reporting. Two of the most common issues were:

- Schools did not always clarify if bursaries and scholarships were means-tested or not.
- Schools reported the number of people with full fee remission, but included both means and non-means-tested support.

Again, this ambiguity and conflation hinders our ability to scrutinise schools' contribution to the public benefit.

10 Two of the 215 schools had not yet submitted their 2023 Annual Accounts to the Charity Commission, which was over two months late, at the time of analysis. One school had an Annual Account that could not be opened in Charity Commission's database.

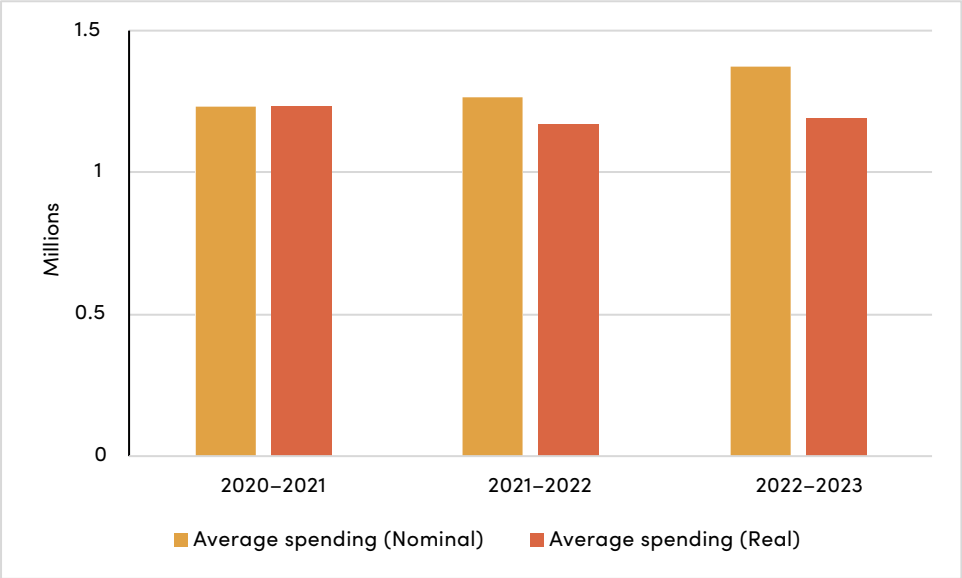
Means-tested support

Spending on means-tested support

Of the 163 English HMC schools that provided information about nominal spending on means-tested support, we found an increase over time (see Figure 1). Overall, the schools spent £201 million in 2020-21; £206 million in 2021-22; and £224 million in 2022-23, representing an average spending per school of £1,230,630 in 2020-21; £1,263,477 in 2021-22; and £1,371,532 in 2022-23.[11]

However, this nominal spending does not account for inflation. When we consider real-terms spending (see Figure 1), we do not see an increase over time: £201 million in 2020-21; £191 million in 2021-22; and £194 million in 2022-23. In terms of average real-terms spending per school, this is £1,230,630 in 2020-21; £1,170,970 in 2021-22; and £1,190,182 in 2022-23.

Figure 1: Average nominal and real-terms spending on means-tested support per school, from 2020-21 to 2022-23 (n=163)



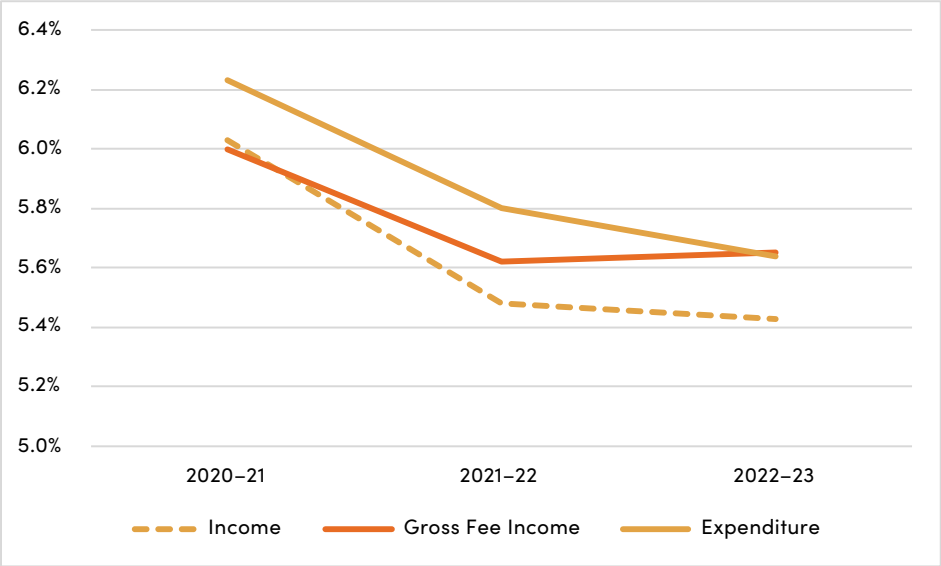
Further, when schools' spending on means-tested support is put into context, we also no longer see an increasing trend (see Figure 2). When means-tested support is shown as a *percentage of gross fee income*, i.e. the fee before any financial support or waivers from the institution is considered, we see a drop from 6.00% in 2020-21 to 5.62% in 2021-22, before a small rise to 5.65% in 2022-23. Similarly, when spending on means-tested support is considered as a percentage of schools' overall income and expenditure, we see a substantial fall from 2020-21 to 2021-22, and a smaller decrease in 2022-23 (see Figure 2).[12, 13]

11 The ISC data shows a similar increase in nominal spending: £455 million in 2020-2021; £479 million in 2021-2022; £495 million in 2022-2023; £539 million in 2023-2024. Nominal spending per school also increased: £330,428 in 2020-2021; £345,101 in 2021-2022; £354,839 in 2022-2023; £381,999 in 2023-2024.

12 Spending on means-tested support as a percentage of schools' income decreased: 6.03% in 2020-21; 5.48% in 2021-22; 5.43% in 2022-23. Spending on means-tested support as a percentage of expenditure also decreased: 6.23% in 2020-21; 5.80% in 2021-22; and 5.64% in 2022-23.

13 These findings hold if we adopt a population-level lens, i.e. instead of looking at the mean proportion of spending across the 163 schools, we instead sum the spending of all schools and divide this by the sum of all the schools' gross fee incomes. The population-level statistics are: a) as a *percentage of gross fee income* 6.02% in 2020-21; 5.64% in 2021-22; 5.70% in 2022-23; b) as a *percentage of income* 5.88% in 2020-21; 5.39% in 2021-22; and 5.35% in 2022-23; c) and as a *percentage of expenditure* 6.17% in 2020-21; 5.75% in 2021-22; and 5.62% in 2022-23.

Figure 2: Spending as a percentage of income, gross fee income and expenditure, from 2020-21 to 2022-23 (n=163)



These statistics are useful to contextualise and add nuance to the well-publicised claim that schools' spending on means-tested bursaries has increased over time. While it is true that nominal spending has increased over time, we did not find evidence of an increase in real-terms spending or spending as a proportion of schools' gross fee income. In fact, we have some evidence to suggest the opposite.

However, caution should be applied when interpreting these time trends, particularly the drop from 2020-21 to 2021-22. It is possible that this decrease is attributable to the additional 'Hardship Bursaries' that schools offered to families during the pandemic, which may have inflated means-tested support at this time. Hence, we interpret the data as showing means-tested support has not increased, when put in the context of wider spending, but we are unable to be more specific than this.

We also contextualised schools' spending on means-tested support by comparing this with spending on other types of fee remission.

- When compared with spending on all fee remission, we see that around 50% of spending was means-tested.[14] The percentage of fee remission spent on means-tested support has increased slightly over time: 53.0% in 2020-21; to 54.2% in 2021-22; and 54.9% in 2022-23.[15]
- When compared with spending on bursaries and scholarships, we see that around 70% of this spending was means-tested.[16] Again this has risen over time (69.3% in 2020-21; 69.4% in 2021-22; and 71.1% in 2022-23).[17]

These statistics are important, suggesting that around £1 in every £2 spent in fee remission is not means-tested. In 2022-23, nominal non-means-tested fee remission equalled approximately £185 million.

14 157 schools provided information on fee remission and means-tested support, representing 73.0% of our sample.
15 In 2023-24, ISC figures suggest fee remission from schools was £1,074 million, with £539 million of this being means-tested, i.e. 50.2%. These figures are therefore similar to the findings in our analysis.
16 87 schools provided information on bursaries, scholarships and means-tested support, representing 40.5% of the sample.
17 This is similar to the ISC figures. In 2023-24, the ISC reported £742 million spent in bursaries and scholarships, of which 72.6% (£539 million) was means-tested.

Number of pupils with means-tested support

We found evidence of a decreasing number of pupils receiving means-tested support, based on the 144 English HMC schools that provided this information. Overall, pupils with means-tested support fell from 15,105 in 2020-21, to 14,413 in 2021-22, and 14,028 in 2022-23. Corresponding decreases in the mean percentage of pupils per school receiving this support are seen: 11.4% in 2020-21, to 10.6% in 2021-22; and 10.2% in 2022-23.[18]

As with the discussion of trends in schools' spending, it is unclear whether decreasing numbers of students receiving means-tested support is due to responses to Covid in 2020-21 or a longer-term trend. That the decreasing trend holds relatively consistent may suggest that Covid is a less important factor than we saw on means-tested spending. For example, it is plausible that the reduction in students receiving means-tested support may highlight a shifting approach in which schools offer a smaller number of higher value means-tested bursaries. For a further discussion, see the section on full-means-tested support, below.

Variation between schools

The schools in this analysis are far from uniform in their approach to means-tested support. In fact, we found considerable variation between schools. While some allocated substantial amounts of resources to means-tested support, others offered relatively little.

One way we assessed this variation was by looking at schools' spending on means-tested support as a percentage of their gross fee income (see Table 2). We found that around one-in-two schools spent 5% or less of their gross fee income on means-tested support, with 7.4% of schools spending less than 2.5% of their income in this way. In contrast, other schools allocated a substantially larger proportion of their budget. Around three-in-ten schools spent between 5.1% and 7.5% of their gross fee income on means-tested support, and two-in-ten schools spent even more than this. A small number of schools (6.7% or 11 schools) spent greater than 10% of their gross fee income on providing means-tested support.

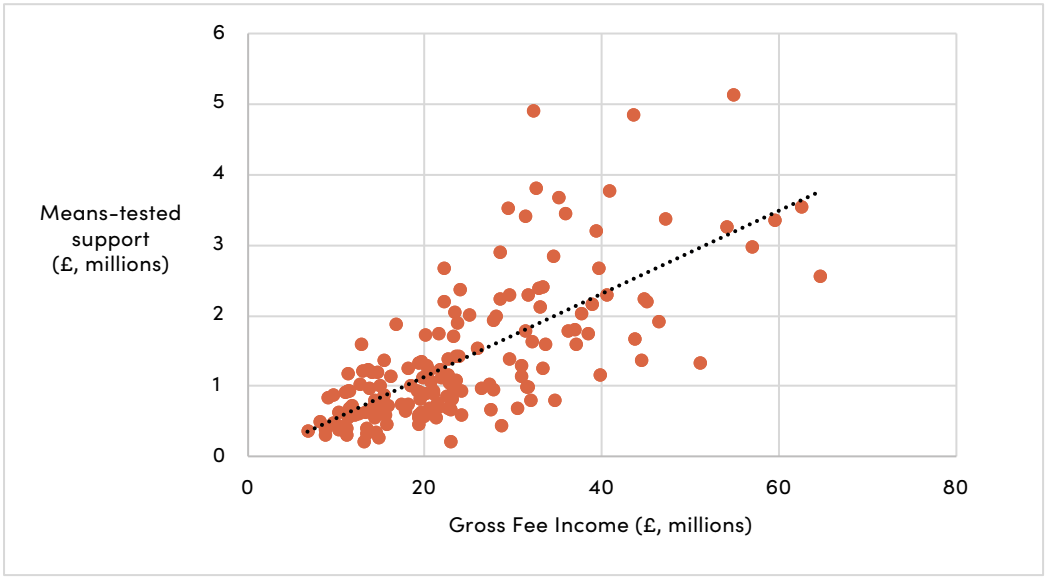
18 ISC data shows a similar decrease, although with an initial rise from 2020-21 to 2021-22: 44,919 pupils in 2020-2021; 46,517 in 2021-2022; 44,035 in 2022-2023; and 43,418 in 2023-2024.

Table 2: Variation in the percentage of gross fee income that schools spent on means-tested support in 2023 (n=163)[19]

Percentage of gross fee income spent	Number of schools	Percentage of schools (%)
0.0 - 2.5%	12	7.4
2.6 - 5.0%	70	42.9
5.1 - 7.5%	45	27.6
7.6 - 10.0%	25	15.3
10.1 - 12.5%	10	6.1
12.6 - 15.0%	-	-
15.1 - 17.5%	1	0.6
17.6 - 20.0%	-	-
Total	163	100%

The variation in schools' nominal spending on means-tested support can also be seen in Figure 3. This scatterplot shows that as schools' gross fee income increases, so does spending on means-tested support. On average, for every £1 increase in gross fee income, schools' spend on means-tested support rose by just under £0.06. However, Figure 3 also reveals considerable variation, with several schools falling considerably higher and lower than the average. To take one example, schools with a gross fee income of around £30 million spent as little as £0.5 million or as much as £5 million on means-tested support.

Figure 3: Nominal spending on means-tested support, compared with gross fee income, in 2022-23 (n=163)



We see even more variation in the number of pupils receiving means-tested support, when considered as a percentage of the overall school population (see Table 3). It was most common for schools to offer between 5.1% and 7.5% of their pupils means-tested support, with 29.2% of schools falling into this category. However, a substantial minority (18.1%) offered support to over 15% of their pupils, while 19.4% offered this to less than 5% of their pupils.

19 Appendix Table 5 shows equivalent figures for: a) percentage of income spent on means-tested support; and b) percentage of expenditure spent on means-tested support.

It should be noted that schools offering means-tested support to a small number of pupils does not automatically equate to them being less 'generous' —it is possible that some schools may prioritise offering a smaller number of high-value bursaries, rather than a larger number of low-value awards.

Table 3: Variation in the number of pupils with means-tested support, as a percentage of the overall school population, in 2022-23 (n=144)

Percentage of pupils receiving means-tested support	Number of schools	Percentage of schools (%)
0.0 - 2.5%	1	0.7
2.6 - 5.0%	27	18.8
5.1 - 7.5%	42	29.2
7.6 - 10.0%	21	14.6
10.1 - 12.5%	13	9.0
12.6 - 15.0%	14	9.7
15.1 - 17.5%	7	4.9
17.6 - 20.0%	7	4.9
≥ 20.1%	12	8.3
Total	144	100%

100% or more means-tested support

Some schools provide 100% or more means-tested support. Pupils in receipt of this support are not required to pay school fees, and sometimes also have other funding, e.g. for equipment or school trips. This data was provided by 88 schools for all three years, representing 40.9% of the sample. Overall, our data suggests there has been an increase in students with 100% or more means-tested support: 2,438 in 2020-21; 2,488 in 2021-22; 2,677 in 2022-23.

As these statistics are drawn from a relatively small sample (88 schools), with 59.1% of schools not providing information about the number of pupils receiving full-means-tested support, particular caution should be applied in generalising findings to the wider population of HMC schools.[20] In particular, although we can calculate the average percentage of pupils at these 88 schools that received full-means-tested support (2.49% in 2020-21; 2.53% in 2021-22; 2.72% in 2022-23) this is likely to inflate the average percentage across all English HMC schools.

The reason for this is that it is likely that this substantial missing data is not random. We reason that schools that offer full-means-tested support are more likely to report this information, whereas those that do not offer this support are more likely to simply omit reference to this in their annual accounts. It is this that underpins our expectation that the numbers in the paragraph above would be inflated predictions of the average for all HMC schools.

20 There is also some evidence that the 88 schools providing this information are more likely to be single-sex, and more likely to be in London and the South East, compared with the overall sample of 215 English HMC schools (see Appendix, Table 4). These markers are consistent with more affluent providers (Gamsu, 2022).

An alternative calculation could treat all missing data as schools offering no full-means-tested support. This leads to predictions of 1.11% in 2020-21, 1.11% in 2021-22, and 1.12% in 2022-23. However, this approach could underestimate the average for HMC schools, if some schools offer full-means-tested support, but fail to report these in their annual accounts. Therefore, we estimate that the average for HMC schools likely falls between the two sets of values we have calculated.

Again, it is important to highlight the diversity of practice in this area, with some schools offering a considerable number of full-means-tested support packages to students. One of the schools with the highest percentage of pupils with this support was Manchester Grammar School - 10.1% of its pupils received full support in 2022-23.

The ISC also reports on the prevalence of full-means-tested support for their members. As with our findings, this suggests there have been some increase in the percentage of pupils receiving full-means-tested support: 1.22% in 2020-2021; 1.16% in 2021-2022; 1.33% in 2022-2023; 1.36% in 2023-2024. Further, as the ISC figures fall between the two sets of values we calculated, we take this as some evidence that our calculations are reasonable.[21]

Overall, the increase in full-means-tested support represents cases where individuals have been enabled to attend schools that would have been unattainable without support. However, as was mentioned above, the absolute numbers of students receiving this type of support remains low, highlighting that tuition fees are required for the vast majority of pupils.

An additional factor to be considered is that a minority of full-means-tested support is provided to overseas students. In 2022-23, this support was particularly targeted at those fleeing the war in Ukraine. In that year, we found evidence of 88 full-means-tested awards given by 15 schools. Within these 15 schools, the awards to refugees and those fleeing conflict compose 18.8% of all full-means-tested awards.[22] The prevalence and nature of this support could be explored in greater depth in future research.

Discussion

Our findings add considerable nuance to the well-publicised fact that private schools' nominal spending on means-tested support has increased year on year (ISC, 2024). For the HMC schools in our sample, we found real-terms spending on means-tested support did not increase between 2020-21 to 2022-23. In fact, there was a decrease from 2020-21 to 2021-22, with a small rise in 2022-23. A similar pattern was observed when we considered schools' spending as a *percentage of their gross fee income*: 6.00% in 2020-21; 5.62% in 2021-22; 5.65% in 2022-23.

However, caution is needed when interpreting this time-trend as spending in 2020-21 may be inflated by hardship bursaries offered to families during

21 Note, the ISC does not cover all private schools. Many of those not covered are small schools or relatively new and expensive schools in London; these schools are less likely to charities, and less likely to provide bursaries. For this reason, ISC estimates are likely higher than the overall figure for all private schools in the UK. We are grateful to Prof Francis Green for this point.

22 When these 88 awards are compared with the overall number of full-means-tested awards in 2022-23 (i.e. 2,677 awards from 88 schools), this represents 3.3% of the total.

the Covid pandemic. Hence, it seems likely that the time-trend represents a flat-lining of means-tested spending as a percentage of schools' income, rather than a long-term decreasing trend. Nonetheless, these findings add important nuance to the statistic on nominal spending over time.

Our findings also highlight substantial differences within the private sector. We found English HMC schools tend to spend more on means-tested support than the 1,400 members of the ISC, which is unsurprising given the elite nature of many of these schools. For example, we found 163 HMC schools' nominal spending on means-tested support in 2022-23 was £224 million, whereas the equivalent ISC figure was £495 million. If we assume all the HMC schools are members of the ISC, then these 163 schools account for around 45% of the ISC's spending on means-tested support, despite representing only 11.5% of the membership. Similarly, this would mean that average nominal spending per school was £1,371,532 for the HMC schools in our sample and around £217,500 for the remaining ISC schools. This difference highlights the diversity within the private school sector, with many non-HMC ISC schools being relatively small schools with fewer than 300 pupils.

Similarly, when we consider the number of pupils with full-means-tested support, the 88 English HMC schools that provided this information in their annual accounts reported 2,677 awards. This represents 36.3% of the 7,376 full-means-tested support reported by the ISC in 2022-23. This suggests a small number of affluent schools dominate the provision of full-means-tested support, and again speaks to the diversity of the sector.

Another key implication that arises from our findings is that many private schools are likely to have capacity to increase their spending on means-tested support. Our evidence for this claim is twofold. First, means-tested support represents only around half of all fee remission offered by English HMC schools. In other words, on average, £1 in every £2 of fee remission is given for sibling and staff discounts or non-means-tested scholarships, which could be gained by some of the most affluent sections of society. Each school has the power to address this, shifting the balance to means-tested support, which is likely to make a greater contribution to enabling access to the school for those who would not be able to afford it. While we did find evidence of a small trend in this direction, with a 1.9% point rise in means-tested support relative to non-means-tested support from 2020-21 to 2022-23, there is the potential for further and faster movement in this regard.

Second, we found considerable variation between HMC schools in their provision of means-tested support. While 6.7% of schools spent more than 10% of their gross fee income on means-tested support, 50.3% spent 5% or less. Similarly, we found schools with similar gross fee incomes had large differences in their spending on means-tested support. For example, we found that schools with a gross fee income of around £30 million spent between £0.5 million and almost £5 million on means-tested support. The fact that some schools spend substantially more of their income on means-tested support suggests that there is the potential for much greater spending in the area.[23]

23 Note, that some private schools fund their bursaries through large endowments (Clough, forthcoming), whereas others lack these resources. This is likely to explain a minority of the variations in Figure 2.

In addition, our investigation has highlighted the importance of distinguishing between different types of fee remission. We found considerable evidence of ambiguous statements within schools' annual accounts, as well as conflation of various forms of fee remission. This suggests schools could do more to increase transparency in this area, enabling researchers, policymakers and the general public to assess the contribution these schools make to the public benefit. We recommend that schools adopt a consistent and transparent approach to reporting in their annual accounts. At a minimum this would distinguish between the three types of fee remission (all fee remission; scholarships and bursaries; and means-tested support) and state the pupil numbers in receipt of each.

This is broadly in-keeping with existing research. Tilly Clough's (forthcoming) random sample of 100 private schools with charitable status in the UK in 2022-23, also found considerable missing data and ambiguity in schools' annual accounts, with 61% providing some information about their bursary and scholarship provision. In comparison, our sample demonstrates some instances of greater transparency, e.g. 75.8% reported spend on means-tested support. This suggests that the more elite English HMC schools may tend to have better reporting, perhaps as a result of the increased public pressure to demonstrate their public benefit, compared with Clough's (forthcoming) broader sample.

More than this, it is important to report spending on fee remission and means-tested support within the context of a school's income and wealth. There is a risk that if only the absolute spending on means-tested support is reported, this will inflate the apparent contributions of large and more affluent private schools. Instead, we recommend that spending on means-tested support is also contextualised by considering this as a *percentage of gross fee income*. This latter statistic allows the public to better understand the relative weight that a given school places on the provision of means-tested support, as this, at least to some extent, takes account of the schools' income and wealth. The utilisation of these statistics within this report, demonstrating the diversity of practice and the lack of increase in this over time, demonstrates the additional nuance and insights that can be provided.

Overall, this report represents a first in-depth, schools-based investigation of English HMC schools and their provision of scholarships, bursaries and other forms of fee remission. From a legal perspective, schools' obligations have been categorised as 'extremely low' (Clough, 2024), with schools' trustees determining how the school provides a 'more than token' provision for the 'poor'. This report finds evidence that there is a considerable diversity of practice within the private school sector, with how seriously they treat their commitment to providing means-tested support—while some dedicate considerable proportions of their income to the provision of these bursaries, others fail to prioritise this.

Recommendations

1. Private schools that are classed as charities should enhance the transparency of their reporting on fee remission in their annual accounts.
    a. Three types of fee remission (total fee remission; scholarships and bursaries; and means-tested support) should be reported separately, as well as the number of pupils in receipt of each.
    b. Spending on types of fee remission should be given as a percentage of gross fee income, alongside providing the absolute monetary value of awards.
    c. Information about the criteria for receiving means-tested support should be published. This should explain both the approximate cut-off for receiving any support, as well as an indication of the levels of income needed to receive 50%, 75% and 100% means-tested support.
    d. Aggregate data on the pupils receiving types of fee remission should be reported, e.g. British or international pupils.
2. Trustees at schools that offer less spending on means-tested support, when compared with schools with similar gross fee incomes, should evaluate whether their public benefit contributions are adequate.

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Biographical Note

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Appendix

Table 4: Comparing the overall sample of HMC schools and the sample that provided three years of information related to: A) spend on means-tested support, and B) pupil numbers on full-means-tested support

		Overall sample (n=215)	Sample for spend on means-tested support (n=163)	Sample for full-means-tested support (n=88)
Gender	Boys	26 (12%)	19 (12%)	14 (16%)
	Girls	25 (12%)	19 (12%)	12 (14%)
	Mixed	164 (76%)	125 (77%)	62 (70%)
Boarding	Boarding	134 (62%)	100 (61%)	54 (61%)
	No boarders	81 (38%)	63 (39%)	34 (39%)
Region	East Midlands	12 (6%)	11 (7%)	5 (6%)
	East of England	28 (13%)	20 (12%)	9 (10%)
	London	26 (12%)	22 (14%)	18 (20%)
	North East	5 (2%)	2 (1%)	1 (1%)
	North West	19 (9%)	11 (7%)	5 (6%)
	South East	59 (27%)	48 (29%)	28 (32%)
	South West	36 (17%)	23 (14%)	10 (11%)
	West Midlands	17 (8%)	17 (10%)	10 (11%)
	Yorkshire and the Humber	13 (6%)	9 (6%)	2 (2%)

Table 5: Variation in the percentage of income and expenditure that schools spent on means-tested support in 2022-23 (n=163)

	Income (%)	Expenditure (%)
0.0 - 2.5%	8.6	5.5
2.6 - 5.0%	43.6	42.3
5.1 - 7.5%	30.1	30.1
7.6 - 10.0%	12.9	16.6
10.1 - 12.5%	3.1	4.3
12.6 - 15.0%	1.8	1.2
15.1 - 17.5%	0.0	0.0
17.6 - 20.0%	0.0	0.0