# Rewarding Industries

How the education and third sectors are responding to unprecedented challenges

# Contents

Jobs in education and the third sector require a **passion** and **sense of vocation** that are harder to find in other industries.

# Foreword

**Alison Meckiffe**
CEO, Endsleigh Insurance

**People who are employed in education or in the third sector – which comprises charities, not-for-profit organisations and social enterprises – do some of the most fulfilling jobs in the UK.**

While education involves helping shape the future for younger generations, those who work in the third sector often support people when they are at their most vulnerable. Jobs in either industry require a passion and a sense of vocation that are harder to find in other professions. They are, as we've called them for this report, *'rewarding industries'.*

However, both sectors can also be among the most challenging to work in. The hours can be long, and the pay lower than in other sectors. And, as this type of work is not left 'at the office', it can often have an impact on the mental and physical wellbeing of those working so hard to protect young and vulnerable people.

Covid-19 has only added to those pressures. On the financial side, many independent schools and universities saw their international students disappear as travel ground to a halt. The third sector's income dropped significantly because fundraising events became virtually impossible to stage.

Meanwhile, there has been a huge increase in stress levels for staff, who have not only had to deal with their personal worries, but have also had to ensure that the students and others they work with were kept safe too.

The sectors have faced other challenges. Employees and volunteers have had to embrace new ways of working, moving many of their processes and systems online. With that, however, comes a greater threat of cyber-crime, a threat which organisations have had to move swiftly to counter. More recently, they have started facing more severe staff shortages, as organisations battle to secure the best talent – a trend which is exacerbated by rising costs. As one person working within education put it: *"The cost-of-living crisis will drive people to a different sector."*

To find out how independent schools, universities and third sector organisations are coping with and overcoming these issues, we surveyed more than 200 people across both sectors looking at their experiences in three critical areas:



## Turnover
**Exploring how they are balancing their finances**



## Talent
**Looking at measures to recruit, retain and reward their staff**



## Technology
**Investigating the advantages and challenges that come with new platforms and online services**

We discovered that while many organisations are indeed facing challenges, many more are focused on solutions. The resilience, creativity and innovation being shown is highly commendable.

At Endsleigh, we too are adapting. As a specialist insurance broker for both the education and third sectors, we are partnering with our customers so they can better meet the needs of the future.

In addition to the dedicated teams of specialists serving the specific needs of students, the education sector and not-for-profit organisations, we've invested heavily in technology, in slicker processes and enhanced propositions suited to the changing needs of these industries. This has included a parent portal to lessen the administrative burden for schools, a suite of employee benefit products, and an app enabling students in halls of residence to easily access their insurance and wellbeing benefits.

By taking these steps, we hope to play our part in keeping the education and third sectors as rewarding to work in as they've ever been. The last two years show just how important the people within them are to our society.



Endsleigh Insurance: A Howden Company

**Chapter 01**

# Turnover

**Innovating to balance the books**

## The sectors' challenges are many and varied

The UK's education and third sector are facing a wide range of financial headwinds. Costs are rising, putting pressure on wages as workers seek higher incomes to meet inflation and the cost-of-living. The sectors are also still recovering from the impact of the Covid-19 pandemic, which saw independent schools and universities lose valuable revenue from overseas students, while many schools were also pressured to reduce fees because pupils weren't getting the full experience. Furthermore, the third sector was unable to hold physical fundraising events for long periods at a time.

Taken together, this means finding ways to improve turnover has become a significant concern. Our survey reflects the financial uncertainties that organisations face, while also demonstrating their resilience in the face of these challenges. Although some fear for the future of their school, university or charity, many have been demonstrating new ways of thinking that are bringing in alternative revenues to help meet the demands ahead.

*"We are hoping our finances will change for the good once we have made some cut backs."*

# Financial stability is a worry for many

Without a doubt, there are concerns about financial stability within the two sectors. Respondents were split down the middle when it came to their opinion about the current financial health of their school, university or third sector organisation. Nearly two fifths (36%) thought their institution was in financial difficulty, and the same amount thought it was not. And while more than half thought their institution faced no threat of closure this year because of financial challenges, a worrying 29% thought it was a possibility.

Rising prices are also a big concern. More than two thirds (69%) of respondents agreed that the increase in inflation and the cost-of-living had had a negative impact on the finances of their organisation. In spite of this, our study reveals that more than half (56%) of workers in schools, universities and third sector thought the financial position of their organisation was actually better than a year ago. This was slightly more noticeable in independent schools (58%) than charities (56%) and universities (52%). Even so, nearly a quarter (22%) believe their organisations are worse off, emphasising uncertainty about the future in our rewarding industries.

## 36%

**Nearly two fifths (36%) thought their institution was in financial difficulty**

## How the sectors are responding

Our study found that, far from letting the macro-economic climate dictate their financial prospects, independent schools, universities and third sector organisations are taking matters into their own hands.

For schools, the greatest emphasis was on reducing their cost base: more than 40% said they had reviewed their costs and were looking to change to local or better value suppliers. For universities, there were greater efforts to advertise themselves: the most common activity they had undertaken, our survey found, was increasing digital marketing to attract more students. Meanwhile, across the two sectors, more than 30% of organisations had increased the number of fundraising activities they organise. A figure which rose to 50% for the third sector.

## 56%

**More than half (56%) thought the financial position of their organisation was better than a year ago**

## 29%

**Of respondents say their organisation is at risk of closing this year**

## Sharing the burden

There was also a greater emphasis on getting others to contribute: more than 30% of independent schools are engaging with parents to help with funding for additional equipment, while more than one in five education and third sector institutions were forming partnerships with commercial businesses. There were worries, however, about how sustainable such measures were. One of our survey respondents wrote:

*"With inflation, we are putting the cost more on the parents who are facing the same challenges. Money is a bit tighter, and they just cannot afford to pay for fees and equipment."*

## Hope for the future

The overall picture is that the education and third sectors are working hard to overcome the financial challenges they face. And while there are real fears in some institutions about their future, the hope for many is that the actions they are taking now will put them in a good position for the months and years ahead.

As one respondent told us:

*"We are working hard to put ourselves in a better financial position."*

# The view from the rewarding industries

RICHARD PATE
INDEPENDENT CO-ED SCHOOL 3-11
CHELTENHAM

**Lucy Cox**
Bursar and Clerk to Trustees,
Richard Pate School, Cheltenham

**When the pandemic hit in the spring of 2020, every independent school like ours was preparing to send invoices to parents with fees for the summer term. However, we knew when parents received them, they would be questioning if they should pay: after all, at that time, the schools weren't even open.**

A lot of independent schools offered a fee variation in recognition of the fact that no one really knew what was going to happen. Our variation was very much in line with other schools, at around 20%. This reduction of income, coupled with a delay we put in place for any fee rises in the next school term, meant it was hard for us to plan our budgeting for the months ahead. A much smaller variation was offered for the second period of lockdown, and was given retrospectively relating directly to cost savings achieved. Again, ours seemed to be in line with other schools in the sector.

The cost-of-living crunch has given us more cause for concern. We are all waiting for the true scale of inflation to hit us and we are very conscious that affordability is an issue for our parents. However, we are already seeing an increase in food costs, and need to decide what to do about our energy renewals. Meanwhile, we are constantly getting messages from our suppliers saying costs are going up. That's on top of the recent national insurance increase, and the rise in pension costs.



In response to these challenges, we are thinking about other sources of income, about what more we can do with our site. Our parents are increasingly interested in wraparound care: more activities going on at the beginning and end of the day, as well as during holiday periods. We have just introduced a breakfast club which will be good for both income generation and attracting more parents. We are looking at more holiday activities too — sports and arts clubs, something for everybody.

And we are doing more marketing. We have built a new website and we have a growing social media presence — we have hired someone with specific expertise in this area. Instagram and Facebook are working really well for us, enabling us to communicate with our parents and trustees who haven't been able to access the school building in recent months and years the way they would have in the past.

Despite all of the many challenges we face, I am excited about the future. I think the cost-of-living crisis will initiate change that would have happened anyway. We have kept a number of our innovations which resulted from our Covid measures because they were working well. The pandemic has given us a lot more confidence that we can respond quickly and effectively to changing circumstances and the needs of our parents.

Independent schools have been under fire in the past and will continue to be, with developments such as the loss of business rates relief and VAT on fees, but over the pandemic, we have delivered consistently well and done a great job for our children. I think we have demonstrated that we are resilient and flexible, and capable of delivering brilliantly for our parents and pupils.

**Chapter 02**

# Talent

How institutions are recruiting, retaining and rewarding staff

## Talent retention and staff shortages are becoming more acute problems

As with many other sectors in the UK, the recent opening up of the economy has led to chronic staff shortages. Like employers everywhere, independent schools, universities, charities, social enterprises and not-for-profit organisations are finding there are just not enough qualified applicants to fill their vacancies.

At the same time, the needs of the people who work for and use the services provided by education institutions and the third sector are changing. Charities are finding more people than ever before need their support. Schools and universities, meanwhile, are putting a greater emphasis on mental health, both of their students and their own employees. In addition, Covid-19 has changed the way many school leavers and graduates approach the jobs market. Future employees increasingly want flexible hours and better working conditions, as well as a good salary.

More than half of respondents agreed they find it **difficult** to recruit staff

# It's getting more difficult to hire staff, and even more difficult to keep them

Our survey underlines the scale of the problem employers in these sectors face. More than half of respondents agreed that their school or university was finding it difficult to recruit staff: just one fifth disagreed. The problems were particularly acute in charities, where 75% said it was difficult to attract new employees.

The issue organisations are encountering is that their staff can make more money elsewhere. Nearly two thirds of those surveyed said people were leaving to find better paid jobs in different sectors. This was particularly noticeable among university lecturers, where nearly four in five said colleagues were quitting their jobs for higher pay elsewhere.

The problem schools, universities and charities face in terms of keeping their employees, shows no sign of abating in the near future. Two thirds (64%) of our survey respondents admitted they were tempted to look for a better paid job in a different sector in the next 12 months.

# 64%
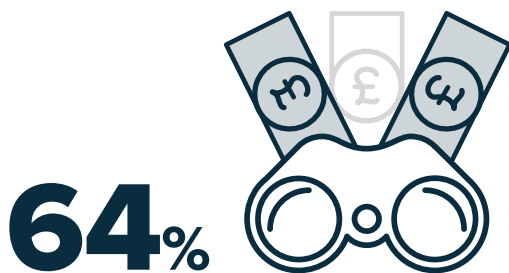
Two thirds (64%) admitted they were tempted to look for a **better paid job** in a different sector

# New world, new ways of keeping staff happy

Employers are therefore having to put extra efforts into retaining and rewarding their staff. Indeed, 85% told us they had done something to make the workplace more attractive. Adopting flexible working practices was by far the most common change that had been made by schools or universities. Half of those in universities – and only just under 40% of those in independent schools – said more flexible working options had been introduced in their organisation to make it a more appealing place to work.
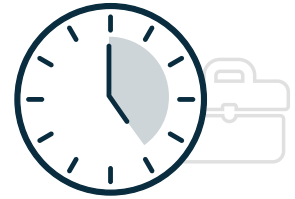
Just under half (44%) in the third sector said they had increased salaries, a figure which drops to 28% in the education sector. Although many employers across both industries are thinking about employee benefits, such as birthday days off or dedicated wellbeing offerings, while just under a quarter told use that they had raised pension contributions. Meanwhile, across the education and third sectors as a whole, just under 20% said working hours had been reduced. The trend appeared more prevalent in universities than in independent schools: in universities, reduced hours were mentioned by one in four, while the comparable figure for independent schools was just under one in five.

In addition, and perhaps partly in an effort to improve their appeal to younger employees, some organisations in education are burnishing their green credentials: 12% said they were introducing plans to achieve net zero emissions and reducing their carbon footprint. A further 8% have boosted both their environmental and social credentials by becoming a B Corp.

## Support services are now more important too

All these changes, coupled with new ways of working, have meant greater investment in support services. Just under half reported that their school, university or charity had invested more in employee engagement and staff wellbeing with enhanced, and post-pandemic relevant benefits over the last 12 months. Those investments were more noticeable in charities and independent schools than universities: when it came to the former, more than half said their institution had invested more; for the latter, just over 40% said their employer had made such changes.
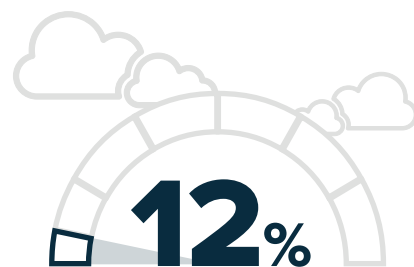
**85%** Have done something to make their workplace more attractive

**40%**

## Half of those in universities and 40% in independent schools have introduced more **flexible working** conditions

## Morale remains high for rewarding industries

In spite of the pressures they are facing, and perhaps as a result of the strength of the jobs market and the efforts made by employers to keep them, morale remained generally high among those we surveyed. More than half (58%) said they found morale where they worked to be 'excellent' or 'good'. Just 13% describing it as 'not good' or 'poor'. These figures are encouraging to see at a time when the people working for independent schools, universities and third sector organisations are under as many pressures as the organisations that pay their wages.

**12%**

## Said they were introducing plans to achieve **net zero emissions**

# The view from the rewarding industries

**Simon Blake**
Chief Executive, Mental Health
First Aid (MHFA) England

**We are a social enterprise with a vision to improve the mental health of the nation. Our mission is to train 1:10 of the adult population. We are currently at 1:50.**

Our Instructor Member Community trained 165,000 people last year, which means we are heading back to the numbers of people we trained in the year before Covid-19. There was little online mental health training at the beginning of the pandemic, so we went through a transitional period of making our courses fit for delivery in virtual learning environments, and rapidly building up the desire and confidence of our Instructor Members to deliver them effectively.

Mental health has risen up the agenda in the workplace. It was rising before Covid-19 and the pandemic has meant employers have had to pay more attention to the wellbeing of their staff. The evidence is clear – the Centre for Mental Health estimates 10 million people (8.5 million adults and 1.5 million children) will need new or additional mental health support as a result of the pandemic.

We haven't been on a big recruitment drive within our staff team. But where we have gone out to market, it is clearly tougher. Potential employees are clearer about what they want when it comes to salaries and benefits and what will work for them. I think the market will stay tough in this regard.

Fortunately, we had low staff turnover during the last two years, but as the market opens up, there are undoubtedly going to be more vacancies. Employers are looking at how to attract new talent – a focus on wellbeing, flexibility, compressed hours, working times and working from home – are all part of the package to attract new talent.

At MHFA England, we have a strong social purpose our people feel connected to. We have worked flexibly. I trust staff to deliver well. I also believe in the importance of social connection with colleagues both within and across teams. Currently we have guidelines rather than rules about how often we would like people to be in the office. We also have wellbeing weeks in August and December when the office closes completely for a week, and we have a good annual leave entitlement.

There will continue to be pressure to attract talent, but we must also recognise that flexibility works when people and organisations are equally adaptable. We know that relationships, job purpose and job satisfaction are all important indicators of success and wellbeing in the workplace. So, as we develop new approaches and models of working, we all need to be in an open, honest and transparent learning process to identify the best approach for all.

The jewel in the crown of our sector is the passion of its people. We have to make sure that doesn't work against us and impact negatively on people and their mental health and wellbeing. We must manage workloads and resources well to make the biggest social difference we can to achieve our mission.

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**Chapter 03**

# Technology

## Embracing change, discovering new ways of working

## The pandemic leaves a tech legacy

The pandemic has been a catalyst for technological advancement in the education and third sectors. That doesn't just mean joining more meetings remotely: it also means adopting emerging technologies such as augmented reality into classrooms and other places. New ways of working are being embraced as never before.

Respondents to our survey were very positive about the impact of technology on their workplace. More than seven out of ten said the use of technology within a school, university or charity would be a positive legacy of the pandemic. Only 8% disagreed.

Furthermore, just under half (49%) of all respondents said their school, university or charity had started to use new or different technology since the Covid-19 pandemic. The figure was the highest in the third sector (63%), compared to independent schools and universities (50% vs 47%), but across all organisations, a significant number had embraced changes such as greater automation or new ways of learning.

**Seven** in ten people said the use of technology would be a **positive** legacy of the pandemic.

# More than just Zoom calls

Perhaps unsurprisingly, video conferencing is the most popular new way of working across independent schools, universities and third sector: 43% of our survey respondents said their organisation began to use this approach in the last two years. Yet change has gone further than simply staging virtual meetings – 41% of independent schools and universities have also deployed online learning solutions such as Google Classroom and 27% have turned to cloud computing.

Others are making use of even more cutting-edge techniques. 15% of organisations have begun using 3D printing in their school or university, and the same amount are using biometrics such as facial recognition or fingerprint scanning. Over a tenth (13%) have introduced online gaming into their organisation and around one in 20 (6%) are using augmented reality or the metaverse.
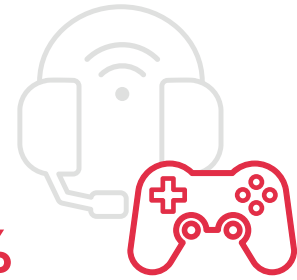
## 13%

**Over a tenth (13%) have introduced online gaming into their organisation's technology**
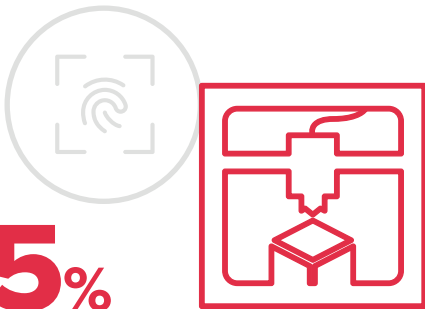
## 15%

**Have begun using 3D printing, and the same amount are using biometrics**

# Staying safe

But with greater use of technology comes increased risk, such as potential exposure to cyber-crime. And education institutions and the third sector may be among the most vulnerable in this regard. Many also hold sensitive information about young people or adults in need of care.

While 56% of our survey respondents said their organisation had not been targeted, three in ten (29%) believed that their employer, or colleague, had been the target of cyber fraud in the last 12 months.

However, most of those who replied believed their organisation's systems are resilient enough to survive such attacks. 70% described the IT security systems at their school or university as 'strong,' while fewer than one in 12 believed they were 'weak'. Meanwhile, over three fifths (62%) said they'd received additional training on how to deal with cyber threats in the past 12 months.

Nevertheless, there were calls for those in both sectors to remain vigilant. One of our respondents wrote:

*"The technology needs to be as good as it is today, maybe ever better, to have a good impact on the safety of the staff and students."*

## 29%
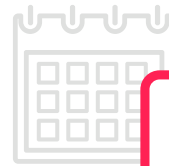
**Three in ten (29%) believe their employer or colleague had been the target of cyber fraud in the last 12 months**

It's clear from our research that the education and third sectors are embracing even the most advanced technology – at least as far as their stretched resources allow. We can also conclude that the commitment to harness technological change is only likely to grow stronger – for this to happen at a time of such financial and professional upheaval is very impressive indeed.

## 62%

**Over three fifths (62%) said they'd received additional training on how to deal with cyber threats**

# The view from the rewarding industries

**Gareth Atkinson**
Experienced School Bursar, Currently at Newton Prep School, London

**I changed schools during the thick of the pandemic so I was able to see advances in the use of technology at different institutions.**

When Covid first hit, technology was already well established in many schools. Some already had one-to-one iPads, for example. But what changed was the level of usage of that technology – it has accelerated dramatically during the past two years.

Most schools already had a chosen online platform at the start of the pandemic. So educators already knew how to use the tools. The challenge was to get the classes and the children involved. Teachers had to learn how to manage their behaviours, to hold their attention, even to make sure they had all switched on their cameras at the same time. To take the whole classroom environment and replicate it on screen was quite a challenge. But, in my experience, schools achieved it: lessons became more dynamic as online learning became more interactive.

A big challenge was navigating different family set-ups. Some created a dedicated learning area with desks where their children could learn, while others were sharing a room with their child or children and trying to do their own jobs at the same time. There were also families who couldn't afford their own devices, so schools had to lend out their own equipment.

And even families who had a good number of devices quite often had to share them between the whole family, while others had moved abroad and were in a different time zone from the school. Institutions had to understand that every family was different and worked in different ways.

As educators' use of technology increased, so too did the threat posed by cyber-crime. IT managers had to put a lot of work into preventing cyber-attacks, so that if and when they happened, the impact was reduced. The industry is acutely aware of the extent to which schools are being targeted all the time.

Looking ahead, there will be more technology in classrooms as a legacy of the pandemic. Video conferencing is now well used by schools in the right circumstances, and many are moving towards even greater use of one-to-one devices. For example, we are looking at the use of technology in the creative side of the classroom, such as robotics and 3D printing.

However, schools are also clear that technology isn't the answer to everything. Although the sector should be proud of the advances made with new approaches and new systems, schools know that children were really missing peer-to-peer interaction while everyone was in lockdown. You can't replicate everything on screen.

# Conclusion

### Resilience in the face of uncertainty

**Many of the challenges facing the education and third sectors would be recognised by employers everywhere in the UK; pressure on finances, increased staff turnover, the need to adapt to what can seem like the bewildering pace of technological change.**

**Yet in spite of the problems, our survey demonstrates that those who work in independent schools, universities, charities and other organisations in the third sector are determined to do what they can to overcome them.**

They remain focused on improving the lives of others. They are finding new ways of raising money. Managers are being as flexible as they can be towards meeting their employees' demands for new ways of working, never forgetting their mission to provide the best education for their pupils and students, or support those with the greatest needs. And they are adopting new technology, both to help them meet the demands they face now, and to prepare both themselves and those they work with for the future.

Working with inspiring colleagues and supportive partners like Endsleigh, they are overcoming the obstacles they face, and finding solutions in some of the most testing circumstances they have ever encountered. They are continuing to do their utmost to ensure that the education and third sectors remain the most rewarding industries that society offers.
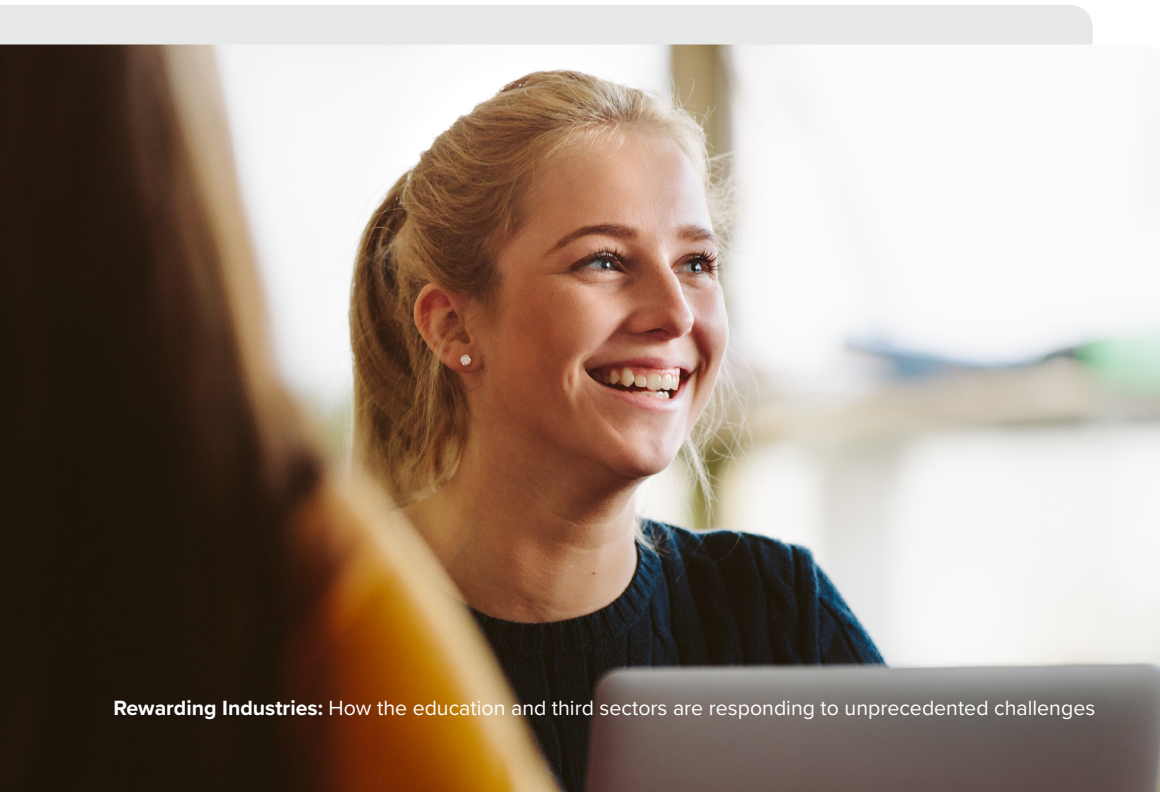
## About Endsleigh

Endsleigh, part of the Howden group, is a market-leading insurance broker with specialisms in both the education and third sectors (including charities, social enterprises and not-for-profit organisations).

Founded by the National Union of Students (NUS) in 1965, Endsleigh has nearly 60 years' experience in understanding and serving the insurance needs of the student, education and not-for-profit sectors. The NUS remains a shareholder, giving Endsleigh unique access and insight into the evolving needs and concerns of these specialist sectors.

Endsleigh's bespoke schools insurance solutions are built around the three principles of 'Your School', covering Commercial & Risk Management, 'Your Pupils', with innovations such as the new digital portal, and 'Your People', offering employee benefit and wellbeing solutions. The company provides the full range of products, from pupil and parent, commercial, risk-management, public liability, professional indemnity, accident and travel insurance, as well as employee benefit and wellbeing. It also works with language schools, student accommodation providers and international student education organisations.

Endsleigh has recently launched their new digital schools portal. This will further the company's commitment to providing solutions for schools by easing their administrative burden, while giving parents a simple tool to manage their insurance needs.

For the third sector, Endsleigh's dedicated team focuses on the exposures and risks that not-for-profit organisations face daily. Its technically proficient team takes a considered approach to ensuring clients can focus on the good work that they do, and have full confidence that should an incident arise, the specialist team at Endsleigh is on hand to support them with a broad suite of products covering charity, trustee indemnity, public liability, transport, cyber, property, group travel, business interruption, and event insurance.

For more information, please visit **www.endsleigh.co.uk**

### About the Rewarding Industries research

Endsleigh commissioned Censuswide to survey a total of 219 leaders and employees across independent schools, universities, charities, social enterprises and not-for-profit organisations. The survey and interviews took place between 12th April and 19th April 2022.

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