



# Reinventing the boarding school

Passion and conviction have driven a successful fund manager to leave his highly-paid job and dedicate himself to launching an “affordable” private boarding school in southern England. Hugh Dickinson outlines his plans to **Josh O’Neill**

A former fund manager has given up his well-paid job in asset management and thrown himself into a personal drive to raise £13 million and launch an “affordable” boarding school in southern England within a year.

Hugh Dickinson has spent much of his spare time over the past two years laying the foundations for The Boarding Project, which aims to meet a healthy demand from middle-class families for reasonably-priced private boarding schooling in or around London. In October, he left his product development role at London-based BlueBay Asset Management, which is one of Europe’s largest managers of fixed-income credit and alternative investment strategies, to work on the project full-time.

Dickinson says he aims to launch the school in September next year, once he has raised enough capital to take over a 30-40 acre site in a target area defined as being within an hour-and-a-half to the west or southeast of London. Depending on the site, the co-educational school will cater for up to 700 pupils aged between 11 and 18, with a minimum of 400 enrollments required to break even.

By mid-November, he had raised £300,000 to cover initial costs such as consultancy, marketing and recruitment fees for the school’s founding head teacher.

Dickinson is now looking to raise an additional £12.7 million in long-term capital from high-net-worth individuals – those whose assets are worth at least £750,000 – and family offices, in exchange for up to 70% equity in the business. The financial model forecasts an internal rate of return of between 10% and 12% initially, rising to between 30% and 40% “once the school’s at scale”, he says.

One of seven children born to middle-class parents in Sussex, Dickinson, 39, says he was inspired by the rich experiences he gained as a boarder at Stonyhurst College in Lancashire. With help from bursaries and financial assistance from the extended family, his parents were able to send all their children to boarding school, something that would be



Hugh Dickinson

“impossible” for average parents in today’s market, he says.

Dickinson says he is “dismayed” that boarding schools are increasingly the preserve of “the very privileged”, due to high fees, which are continuing to price “the bulk of professional domestic parents” out of the market. He describes his mission as being “to transform and revitalise domestic boarding in this country, which is in danger of dying out due to inflated fees.”

Boarding fees at top public schools including Eton College and Tonbridge School now exceed £40,000 per year, with others such as Winchester College and Charterhouse School charging fees just below this figure.

Under Dickinson’s plans, the new school will charge £22,500 per year to full boarders from the UK, who are expected to comprise 5% of the student body. A quarter of students are expected to be day pupils paying £16,000. International full boarders will pay around £25,500 annually, and are predicted to account for about 30% of pupils. Weekly boarders, who are expected to be the most prolific demographic at 40%, will pay £18,500 – and it is this tranche of students who provide the key to the business model.

“There are families dying for the option of flexible, weekly boarding,” he says. “Professional parents are busy and want



to be able to leave their kids at school through the week but spend time with them at the weekends.” To shore up this claim, Dickinson surveyed 500 households across Surrey and Oxford with a collective income of between £70,000 and £170,000 a year and identified a “significant” demand for such an offering.

Dickinson admits that to keep the fees around 30% below the average price of boarding education, he will have to compromise on certain facilities and amenities that may be on offer at rival schools in the upper tier. He says there are no plans to add facilities such as a swimming pool or theatre, should the school premises that he acquires not have them already.

“Instead, we’ll think outside the box,” he says. “For example, we could partner with local sports centres and drama clubs, if need be.”

However, Dickinson stresses that one thing that he won’t cut corners on is the quality of the education provided. “It’s possible to provide excellent education with lower fees, if you get it right,” says Dickinson. “I think fees have risen beyond necessary and some schools operate on too fine a shoe string. It’s about getting the right leadership and staff who buy into the vision.”

Teaching staff will be paid competitively – with a housemaster likely to earn around £50,000 per year – to deliver a syllabus of up to 16 “core subjects,” and class sizes will be capped at around 20 students up to GCSE stage and 10 at A-Level, he says. Exact subjects are yet to be determined, as the founding head will provide input on what these should be. However, there will be an emphasis on “critical thinking” and a focus on developing “skills relevant for the 21st century”, such as computer science and coding.

Dickinson says that a five-year stint in the British Army has inspired him to incorporate The Duke of Edinburgh’s Award and Combined Cadet Force activities into the school’s extra-curricular offerings, in order to help develop “socially responsible young adults”. The head teacher and senior staff are also likely to be offered equity in the business, as a way of incentivising management by giving them “skin in the game”, he says.

Staff won’t, however, be offered the Teachers’ Pension Scheme, which is widely considered the best pension package available, especially in the light of recently announced measures requiring schools to raise employer contributions to 23.6% from 16.47% as of September 2019.

Instead, Dickinson says he will look to attract talent by offering a “favourable alternative” pension scheme, which could be “tailored to points in staff members’ careers” with “increased flexibility” when it comes to early drawdown on funds and salary sacrifice initiatives. A non-performance-based bonus scheme will also be put in place alongside a package of perks that could include private healthcare and gym memberships to appeal to younger staff.

Low-cost private schools frequently come under fire from market participants who say they’re too often destined to fail from the outset. In October, for example, the opening of a new low-cost private primary school in Durham, which offered to provide a no-frills private education for £2,700

a year – just 55% of annual government spending per state primary pupil – met with controversy due to its questionable financials. The Department for Education said it would closely monitor the school’s progress after delaying approval twice amid concerns from Ofsted over the school’s facilities.

Dickinson’s model occupies a space much higher up the price range, with the proposed fees positioned around the average annual private school fee of £17,232 in the ISC’s 2018 census, which encompasses all day and boarding options. But what does he consider to be the keys to success in launching an “affordable” boarding school?

“Scalability,” he says. “If it’s not scalable, it won’t work. That’s why we need such high numbers of students.”

Dickinson admits that he’s taking a “massive risk” in launching a school with no prior experience in the education sector and says the first major challenge – retaining students – will come once he acquires “what is likely to be a failing school”. Once pupil numbers are steady, the senior management team will begin to refine the curriculum and enhance the school’s reputation in preparation for “that first critical inspection”, he says, adding that the school is expected to take seven to eight years to reach full scale.

The finely tuned advisory board that has been assembled for the launch will help to mitigate the risk, he says. Members lending market expertise and guidance include Ben Pennington, deputy head of King’s, Ely; Jessica Miles, head of Queen Margaret’s in York; Martin Stephenson, former high master of St Paul’s in London; educational consultant Grace Moody-Stuart and Dickinson’s brother Harry, who is managing partner of fund distributor Harrington Cooper.

However, Dickinson acknowledges that, in the final analysis, it is the financial skills he deploys as proprietor which will be critical to whether the initiative stands or falls. “Fiscal discipline will be key to the school’s success,” he says. “If I’m not careful, I could end up dying alongside these other failing schools.” ■



Tonbridge School

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