

## Foundation Bursary Strategy (background material)

The following material is provided as background in support of the Case for Support, the targets within the strategy and to reference the benchmarking and recommendations from the Graham-Pelton Review.

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### **1 - RGS Strategic Objectives in the School's Annual Accounts for year ending August 2020**

**Objectives for the Year.** *The primary objectives of the year have continued to be:*

- *a drive for excellence across the four RGS Schools in the areas of academic, pastoral and co-curricular provision;*
- ***widening further the access to an RGS education for pupils from across the local social spectrum through increased bursary provision; and***
- *further improving, where possible, our involvement with the local community, primarily through effective utilisation of School resources.*

**Strategies to achieve the Objectives.**

*A Strategic Development Plan has been put in place to focus our efforts on improving all of the School's core activities: academic achievement, pastoral care and co-curricular activities. **This plan also incorporates The RGSW and AOS Foundation and the drive to ensure wider access to the School for pupils from all backgrounds.** The School promotes wide community access to its facilities and an extensive programme of performing arts performances and exhibitions.*

### **2 - King's Worcester Bursary Vision and Campaign objectives**

King's Worcester launched its bursary campaign as 'Open the Door' in 2019. The case for support links back to its founding in 1541 under Henry VIII when it aimed to provide education to 40 poor boys. The campaign aims to fund 40 bursary places (100% fee support) by 2041 to coincide with the 500<sup>th</sup> anniversary of the School's founding. The targets are to have raised £5m by 2025 and £18m by 2041. It refers to many alumni receiving a free education under the direct grant scheme that ended in 1977 and numerous bursary recipient testimonials have been used to promote the value and impact that a bursary to that School has had on their lives.

### **3 - Benchmarking RGS Bursary Provision**

Current Bursary provision benchmarked

- The RGS Annual Accounts for year ending August 2020 show that **£524,644** was allocated to bursaries for **72** pupils, of whom **2** received **100% remissions**.
- The bulk of the bursaries were awarded to pupils at RGSW and Dodderhill, for benchmarking ease RGSW fees are used and pupil numbers reflect an average at RGSW and Dodderhill (Yr7-11).
- Applying RGSW 2020 fee rate of £13,734 makes the average bursary award worth £7,287 (**53%**).

School	Pupils	Bursaries	% of pupils	100% bursaries	100% bursaries in School roll
<b>RGS 2020</b>	945	72	7.6%	2	0.2%
<b>KSW 2019</b>	881	75	8.5%	8	0.9%
<b>ISC 2019 Survey</b>	n/a	n/a	8.4%	n/a	1.15%

#### **Foundation Strategy Objectives**

- Lift bursary places at RGS from 70 to 100 which delivers a **40%** increase on current levels
- Lifting RGS bursary places to 100 from within the 945 pupils would raise means-tested places from 7.6% to **10.5%**. If pupil numbers reduce to 900 then 100 places = **11.1%** (850 = 11.7%).
- 30 fully paid places along with any school funded 100% bursaries would lift RGS from 0.2% to **30%+** for full fee support within bursary recipients.

### **4 RGS Bursary funding and pupil numbers since 2007**

Year	Bursary Expenditure	Pupils awarded a Bursary	Bursary Pupils as % of roll	100% Bursary pupils	100% pupils as % of bursaries	Bursaries as % of gross fees
2006-07	£125,725	40	3.7%	4	10%	1.5%
2007-08	£213,367	55	3.9%	6	11%	1.9%
2008-09	£262,643	62	4.5%	9	15%	2.3%
2009-10	£243,492	58	4.3%	8	14%	2.2%
2010-11	£245,546	48	3.8%	11	23%	2.3%
2011-12	£243,845	47	3.8%	9	19%	2.3%
2012-13	£247,227	46	3.7%	9	20%	2.2%
2013-14	£292,207	45	3.7%	11	24%	2.6%
2014-15	£396,151	59	4.5%	11	19%	3.2%
2015-16	£413,265	65	5.1%	8	12%	3.2%
2016-17	£427,160	73	5.8%	4	5%	3.3%
2017-18	£448,063	72	5.6%	3	4%	3.3%
2018-19	£468,447	76	5.8%	3	4%	3.1%
2019-20	£524,644	72	5.1%	2	3%	3.2%
	£4,551,782					

The information is taken from the published RGS Annual Accounts so fee income and pupil roll in the table refer to the total numbers across the three RGS schools and Dodderhill since 2019. Hence the difference to the 2020 numbers in the data benchmarked against KSW and ISC. By July 2021 it will be **£5m** of support.

## **5 – Target Formulation**

### **Funding the bursary growth through regular giving to the Foundation Annual Fund**

30 extra pupils receiving 50% bursaries requires an additional annual income of **£206,010** at 2020 fees.

<b>No. of donors</b>	<b>Monthly amount</b>	<b>Annual gift value</b>	<b>Monthly total</b>	<b>Annual total</b>	<b>Gift Aid</b>
250	£10	£120	£2,500	£30,000	£7,500
100	£20	£240	£2,000	£24,000	£6,000
50	£50	£600	£2,500	£30,000	£7,500
25	£100	£1,200	£2,500	£30,000	£7,500
10	£500	£6,000	£5,000	£60,000	£15,000
<b>435</b>			<b>£14,500</b>	<b>£174,000</b>	<b>£43,500</b>

- With Gift Aid would give a total of **£217,500** but unlikely all donations will be eligible.
- 435 donors = 10 alumni supporters per year group from 1970 to 2014 or under half the RGS families.
- Telephone Campaigns can be used to boost donor numbers.
- Stewardship will be used to periodically raise donors to higher levels.

### **Illustrating to regular donors how regular gifts deliver the target**

Fundraising literature will explain to prospective donors how their monthly gift contributes to achieving the bigger picture, for example:

- a £10 donor helps fund over five 50% bursary places each year if he/she is giving as one of the 250 donors and Gift Aid is applied.
- A £500 monthly donor with Gift Aid is delivering eleven 50% bursary places each year

### **Major Gifts for the Endowment Funds**

- There are eight major donors who have actively supported the School in the past 18 months.
- Applying prospect research to the alumni and parent bodies will facilitate a program of cultivation and solicitation.
- Graham-Pelton recommends building the pool of donors in steps (10, 25, 50). The target is to have by 50 major donors engaged and supporting by September 2026 the major gift target of £250k per annum. Recognising that not all will donate each year so it is a pool of supporters with which to work.

### **Legacy gifts**

Graham-Pelton identified legacy gifts as a key opportunity for RGS to receive substantial gifts. Currently 34 legacy pledges have been shared with the Foundation Office. Promoting an updated message linked to the Case for Support, the plan is to secure a further 34 pledges over each of the next two years to have 100 pledges in place by September 2023. The Legacy Society will be used to promote Legacy Giving annually with a target to secure 10 pledges per year from 2024 onwards.

### **Endowment Fund Growth**

CCLA which manages the COIF funds expects the Investment Fund to deliver minimum growth of Consumer Price Index + 5%. For investment purposes CCLA models the CPI at 2% so the fund should deliver **7%** return annually. 3% return is paid as dividend income, 3% return is capital growth and 1% return is CCLA fees.

The COIF Charities Investment Fund 5-year average is 11.55% return, 2020 was 9.78%. The COIF Charities Ethical Fund that Trustees wish to use has a 5-year average of 11.51% and 2020 was 9.76%.

For longer term investments there is the option to invest in the COIF Charities Global Equities Fund which has a 5-year return of 15.20% with 2020 being 22.75%.

The COIF account manager for the Foundation advised that CCLA anticipates continued growth in equities for several years as economies bounce back from Covid (and Brexit). Taking a more nuanced approach to long-term (2041) objectives offers an opportunity to deliver growth to the endowed funds.

For the 2041 modelling 9% growth was applied with the annual income reinvested to maximise the growth of the fund.

## 6 Strategy Targets and Graham-Pelton / IDPE Benchmarking

Recruiting an additional fundraiser to help deliver the strategy's annual targets of £250k for major gifts and £206k for regular giving from 435 donors as well as increasing legacy pledges to 100 will move RGS firmly into the benchmark categories of *Independent Day School, Co-ed Senior School (11-8)* and *Development Department in Existence 4-6 years*.

For reference, between 2012-2018 KSW raised an average of £300k.

### Benchmarking: Philanthropic Results

Averages	RGS Worcester	More Than 1 but Less Than 2 FTEs	Independent Day School, Co-ed Senior School (11-18)	Development Department in Existence 4-6 years	IDPE Region – West Midlands	Schools Raising £100k-£500k	Schools Raising £500k-£1m
Philanthropic income per year <sup>1</sup>	£202,957 <sup>2</sup>	£267,035	£368,069	£550,366	£161,773	£234,049	£730,353
Expected pledge and regular gift income expected between 2017/18 and 2021/22	n/a	£755,050	£270,769	£760,237	£340,796	£516,092	£510,538
Total value of legacy pledges, 2014-18	Not provided	£422,125	£655,192	£731,150	£929,928	£544,149	£1,448,727
Amount of legacy pledges per year	Not provided	£234,918	£308,526	£255,300	£312,610	£216,842	£621,303
Number of legacy pledges per year	8 <sup>3</sup>	4.7	6.0	5.3	6.7	4.5	7.9
Number of donors per year	42.5	131	187	181	202	228	259

### Benchmarking: Yield and Return on Investment

Averages	RGS Worcester	More Than 1 but Less Than 2 FTEs	Independent Day School, Co-ed Senior School (11-18)	Development Department in Existence 4-6 years	IDPE Region – West Midlands	Schools Raising £100k-£500k	Schools Raising £500k-£1m
Philanthropic income per year <sup>1</sup>	£202,957 <sup>2</sup>	£267,035	£368,069	£550,366	£161,773	£234,049	£730,353
Annual budget/Average fundraising cost	£77,750	£93,586	£142,102	£131,313	£84,008	£120,013	£209,463
Number of FTEs	1.5	1.5	2.3	2.4	1.8	2.1	2.8
Yield <sup>3</sup>	£125,207	£173,449	£225,967	£419,053	£77,765	£114,036	£520,890
Return on Investment (ROI) <sup>4</sup>	1.61	1.85	1.59	3.19	0.93	0.95	2.49

## **7 -Including Graham-Pelton Recommendations within the Foundation Bursary Strategy**

Graham-Pelton made recommendations across five areas: Plan, Case for Support, Prospects, Leadership, Resources. They are below with explanation of how the Foundation Strategy addresses them.

<b>G-P Recommendations: Plan</b>	<b>Foundation Bursary Strategy</b>
Develop comprehensive strategy with clear metrics and targets developed in line with the growth plan	Yes – included in the strategy
Implement KPIs beyond income and review to actively track engagement metrics and other activity. Then regularly review for productivity, ROI, and needs	Yes – included in the strategy
A plan for major gift fundraising needs to be developed. Major gift fundraising requires time, dedication, and focused staff.	Yes - Major gift target in place. Plan to be built around prospect research results. Dedicated time becomes available when additional recruit is in place.
Develop a regular giving programme to build a donor pool for the School.	Yes - The regular giving will be built around the Foundation’s Annual Fund
Develop a structured legacy programme, ensuring appropriated stewardship is maintained.	Yes – a Legacy Society will be launched to steward these donors and a target is set to have 100 pledges by end of 2023. Legacy gifts will be promoted as endowing RGS in perpetuity.

<b>G-P Recommendations: Case for Support</b>	<b>Foundation Bursary Strategy</b>
Build a bold culture of philanthropy that sees the School as a worthy cause for support. A strong vision for the School and Foundation is needed to clearly articulate <i>why</i> you want and need donors to support the School.	Yes – Case for Support: References School’s history within the community and its relevance as pioneer today (DLP). Has 2041 vision linked to history that addresses the need of not being able to offer a place to all pupils now.
Develop a Case for Support that has clear funding priorities for the next 3-5 years that is linked to the School’s strategy.  <b>Then test this case by sharing it with your donors and stakeholders.</b>	Yes – the Case for support has targets in place for 2026 that are milestones towards 2041. <b>Will be done when Trustees and School Leadership have approved the Case.</b>
The vision and case need to be co-produced between the School and Foundation leadership. It’s a shared responsibility to create this but it must clearly be in support of, and positively impact, the School’s future.	Yes – Foundation Director and Chair have worked closely on the vision, the targets and actions needed to deliver. Success will tangibly positively impact the School’s future and it also recognises what is happening at KSW re bursaries for 2041.
Play on the local competition and School pride which is important to many alumni. One of the oldest schools in the world.	Yes – the 2041 timeframe is a fortuitous synchronicity with KSW which allows the RGS 750 anniversary to be promoted and celebrated as KSW turns 500. Fasha will appreciate RGS going head to head.
Utilise communications to deliver key messages and focus on what you want your audiences to hear and action.	Yes – the Case for Support will underpin all future fundraising across all channels. 100 for 750 offers a simple tag line that can be linked to the School’s motto of cherishing the past while looking to the future.

<b>G-P Recommendations: Prospects</b>	<b>Foundation Bursary Strategy</b>
Create formal moves management process and regularly update the database with upcoming solicitations and opportunities	Yes – included in the strategy Database now has the functionality to operate a moves management process and this will be central to the major donor cultivation and ‘asks’
Build a major gift prospect list with top 10, 25 and ultimately 50 donors for the School.	Yes – included in the strategy. Currently 6 major donors active. Aim is to reach 50 by 2026 to support the major gift target for the endowed fund.
Develop a clear stewardship programme that is standardised for most donors which includes recognition such as an online donor wall and thank you letters from the Chair of the Foundation and/or Head depending on levels of gifts.	Yes – Stewardship by gift level proposed within the strategy. RGS & AOS has its own Wall so plan is to invoke that in an online Donor Wall sited on the alumni website.
Develop a regular giving programme that will build the pool of donors from both alumni and parents.	Yes - The regular giving will be built around the Foundation’s Annual Fund and asks will be made to alumni and parents and staff. The target is 435 donors. When this target is reached it can be stretched to 685 donors as a further link to the past.**
Following the e-survey, follow up with any alumni and parents that show interest.	Yes – with the Case for Support agreed and targets in place then these leads will be followed up to secure donations. The Legacy Society will be promoted to those who indicated an interest in making a gift through their Will.

\*\* If the AOOEs come ‘in-house’ without a subscription model, it offers an opportunity for the Foundation to approach parents for a different form of regular giving to support bursaries.

<b>G-P Recommendations: Leadership</b>	<b>Foundation Bursary Strategy</b>
Leadership, particularly the Head, but also key Governors and Board members, need to be more involved in fundraising.	Yes – through small focused cultivation events and, where appropriate, be part of meeting with major donor prospects to help make the case and the ask.
More time needs to be spent by leadership with lead donors and high-value stakeholders in their cultivation and stewardship.	Yes – through small focused stewardship events and phone calls at key points.
Strategy, vision, and case must be produced together. Greater collaboration must be established with everyone pulling in the same direction.	Yes – the Foundation Director and Chair have worked together developing the Case and the elements in the strategy. Agreement will be obtained from School’s Leadership and Foundation Trustees around the vision, the targets and the KPIs before proceeding with actions.
Fundraising briefing will provide some needed knowledge for leadership, but there is a clear value in further training or coaching for the Foundation Director and leadership involved in fundraising to support growth.	Yes – Foundation Director and the Chair have identified respective training / coaching opportunities to support implementation of the strategy. There will be an opportunity to provide training for the new DFO when she comes onboard.

<b>G-P Recommendations: Resources</b>	<b>Foundation Bursary Strategy</b>
More time/resource needs to be focused on major gifts from staff perspective	Yes – Foundation Director to focus on this work with additional resource focusing on regular giving programme.
Begin by investing in another frontline fundraiser who can support major gifts and develop the regular giving programme.	Yes – RGS Board has now approved this expenditure for appointment in 2021.
There is an opportunity to utilise moves management in the database	Yes – included in the strategy Database now has the functionality to operate a moves management process and this will be central to the major donor cultivation and ‘asks’
Strong case to deliver more engagement for alumni and other stakeholders.	Yes – the communications strategy increases the frequency of engagement and events programme is being enhanced to deliver more and targeted events eg. cohort reunions.
Merge all funds into one and ensure it is used for philanthropy and that other expenditure (merch, events, comms) comes from the School budget and interest.	Yes – It is vital to recognise the RGS and AOS different heritages so the strategy will use the named bursary funds to promote legacy giving while regular giving will be channelled to a single Foundation Annual Fund. Other expenditure is already handled as recommended.
Review and update all policies to reflect changes to GDPR and the fundraising preference service	Yes – this has been done eg Ethical Fundraising Policy, as well as including wealth screening in the updated Privacy Notice and circulated to alumni and parents in the Annual Review.