

# Supply of school uniforms

Report of findings by IFF Research

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# 1 INTRODUCTION AND SUMMARY OF KEY FINDINGS

## Purpose of the report

- 1.1 The Office of Fair Trading (the OFT) is seeking to promote greater competition and choice in the market for school uniforms. In particular, it is concerned about the impact of restrictive arrangements for the sale of uniforms on the price that parents pay.<sup>1</sup> Restrictive arrangements prevent parents from shopping around to get the best deal which results in some parents paying higher prices. This report updates a report issued in 2006 on prices for uniforms in UK state schools.
- 1.2 The 2006 survey found that because of restrictions imposed by some schools, many UK parents had only a limited choice in where they could buy their children's uniforms. Some items were only available from a single outlet. The survey found that where such restrictions existed, the uniform items in question were generally more expensive than where the items could be bought more freely.

## Objectives of the research

- 1.3 The 2012 survey has collected up-to-date information on the arrangements schools make for parents to buy their uniforms, to assess whether the 2006 findings are still valid. The OFT looked both at levels of **competition in the market** for school uniforms and whether there is **competition for the market**.
- 1.4 The level of **competition in the market** depends on the number of outlets in which an item of school uniform can be bought. Where schools make items available in just one outlet – for example, a shop appointed by the school or the school's own shop – there is no competition in the market for that item. Parents do not gain the benefits that competition would provide - in particular, lower prices.

<sup>1</sup> In this report, we use the term 'parent' for any person responsible for purchasing uniforms for a schoolchild.

1.5 Even if competition **in** the market is limited because items are only available from a small number of retailers, parents may still reap some of the benefits of competition if there is **competition for the market**. This will be the case when the school 'tenders out' the right to sell an item by allowing more than one retailer to bid competitively for its business. Competition **for** the market can allow parents to benefit from the competitive process, provided schools ensure that a low retail price is a key factor in the decision to award the tender and where such arrangements are regularly reviewed.

1.6 In summary, the research was focused on:

- the extent of **competition in the market**: types of restrictive arrangements and how much they are used
- the extent of **competition for the market**: competition in setting up and maintaining agreements with retailers or suppliers
- the impact of restrictive arrangements on the price of uniforms
- the reasons behind restrictive arrangements and the perceived benefits to schools of adopting them, and
- the extent to which schools are planning to review their current arrangements.

### **Key findings and recommendation**

1.7 The key finding from the 2012 survey in relation to competition in the market is that almost three quarters of state schools (74 per cent) continue to place restrictions on where uniforms can be bought. This is higher than we would have expected, given guidance on uniform policy from the Department of Education and other educational authorities and the OFT's report in 2006 – and given the benefits associated with competition.

1.8 As a consequence, parents who are not able to shop around for uniform items are paying as much as £5 to £10 too much for many of these items. We estimate that for every £1 difference in price per item the total detriment to parents of school age children is £4.9 million each year for primary school children and £5.5 million for secondary school children. At

a typical price difference of £5 per item, the total detriment would amount to £52 million each year across the two groups.<sup>2</sup>

- 1.9 In relation to competition for the market, the survey shows that just 38 per cent of all schools which restrict the availability of uniform items have used a selection process when appointing that retailer (including 55 per cent of secondary schools).<sup>3</sup> Cost to parents is the most commonly cited criterion that schools have used to choose the retailer.
- 1.10 There has been some progress since the last survey, but it is clear that there is still scope for schools to do more to promote competition in the sale of their uniforms.
- 1.11 If schools give parents greater choice over where to buy uniform items, or ensure that any single retailer status is awarded on the basis of competitive tendering, this will drive competition and bring down the prices that parents pay. The fewer the restrictions, the greater parents' ability to shop around for the things they care about most, be that low prices, high quality or convenience.

### **Competition in the market: restrictions on where uniforms can be bought**

- 1.12 Schools put in place a variety of different arrangements for the sale of their school uniform. Where a uniform item is only available from a single outlet and parents don't have a choice of where to buy it from, then prices are likely to be higher than they would be if parents were free to buy the item from any outlet. This is particularly the case if schools do not competitively tender for the single outlet.

<sup>2</sup> In order to establish the overall estimate of the detriment to parents, we have drawn together all the information provided by schools about which items of school uniform were compulsory, which items were in addition subject to restricted supply, and also factored in the numbers of pupils involved and the typical number of times these items are purchased each academic year.

<sup>3</sup> By 'selection process' we mean that the school made a comparison of a range of retailers before choosing one.

- 1.13 As noted in paragraph 1.7 above, only a quarter of schools report that they place no restrictions on where any item of their uniform may be bought. The other three-quarters (74 per cent) reported imposing some restrictions on the choice of supplier for some items with secondary schools more likely to have them (94 per cent) than primary schools (69 per cent).
- 1.14 In these schools, the average number of items covered by some kind of restriction is around four items for secondary schools, and around two items for primary schools. Ties, blazers, and sweatshirts are the most commonly restricted items.

### **Competition for the market: selecting and maintaining relationships with retailers and suppliers**

- 1.15 Where items are available only **from a single retailer**, almost two in five schools (and over half of all secondary schools (55 per cent)) have used a selection process to choose that retailer. Of these, the majority (70 per cent) state that the price that parents pay for uniforms is an important criterion for choosing the retailer.
- 1.16 Where items are available only **from the school itself** four out of five schools buy the uniform to be sold in their school shop from a single supplier. Under this arrangement less than a quarter (24 per cent) of schools have used a competitive tender process (for example, a tender or auction) to find that supplier. For almost half of secondary schools and almost three quarters of primary schools in this category<sup>4</sup> this arrangement with their supplier is an established commercial relationship.
- 1.17 These figures indicate that the arrangements are not reviewed very regularly. In these circumstances, there is considerable scope for schools to introduce more competition into the process of choosing their supplier. As indicated earlier, it is important that established relationships are reviewed regularly to ensure they are giving value for money.

<sup>4</sup> 48 per cent and 72 per cent respectively.

## **Impact of the restrictive arrangements on prices**

- 1.18 We have compared the prices for uniforms that are only available from a single outlet (either a single retailer or the school itself) with the prices for generic versions available locally. We have used this comparison to estimate the potential savings for parents if restrictions were lifted. Supermarkets are the cheapest source of all. For example, the price for a sweatshirt for secondary school boys from a single retailer arrangement was on average £12. An indicative price from a supermarket was £5. For secondary school girls' skirts, the equivalent figures were £15.40 and £5.
- 1.19 Even if items were not available in supermarkets, but were available from more than one retailer, parents would save money. For example, a comparable price to the £12 sweatshirt referred to in the preceding paragraph was £7.99, when sold through multiple competing retailers. And a comparable price to the £15.40 skirt referred to in the preceding paragraph was £11.45, when sold through multiple competing retailers.

## **Reasons for adopting restrictive arrangements**

- 1.20 For schools which use a single retailer, the most commonly cited reason for doing so was that it ensured consistency in the appearance of the uniform (85 per cent).
- 1.21 For schools which restricted items to the school itself, the most commonly cited reason was convenience for parents (84 per cent).
- 1.22 While we understand that consistency is a concern for schools, we believe that they can achieve this objective without unduly restricting supply, for example, through setting out colour and style requirements in more detail but still allowing parents choice about where they buy uniform items.
- 1.23 Similarly, we recognise that convenience is an important consideration for parents and will form part of the overall competitive mix offered by different outlets, alongside price and quality considerations. If parents are given more choice about where they can buy items, then they will be able to reflect the relative importance of each of these factors in their



decisions. Hence, schools may actually be able to improve convenience for parents through opening up their arrangements.

### **Plans to change school uniform policy**

- 1.24 Responses to the last survey in 2006 indicated that few schools were considering reviewing a restrictive sourcing policy in the near future, but the current survey shows that 39 per cent of schools with restrictive arrangements say that they do have plans to review their arrangements in the near future.
- 1.25 We also note that 40 per cent of secondary schools and 69 per cent of primary schools see no disadvantages to allowing parents to buy uniform from any outlet they choose. These include 36 per cent of secondary schools and 57 per cent of primary schools which currently restrict availability of items to a single outlet. This may indicate an increasing recognition by schools of the benefits of competition to parents.
- 1.26 For schools that do identify disadvantages to allowing parents to buy the uniform from any outlet, the one most commonly cited is the difficulty in maintaining consistency of colour, quality and design in uniform items. As noted in paragraph 1.20 above, consistency issues are also cited as the main reason for adopting such arrangements in the first place.

### **Conclusion and recommendation**

- 1.27 The overall level of restrictions on the availability of uniform items remains high.
- 1.28 Whilst the OFT recognises that schools are concerned about the consistency and quality of uniform items, and about ensuring their availability, there are likely to be less restrictive ways for schools to deal with these issues, which cost parents less than restricting the sale of uniform items to a single outlet.
- 1.29 If schools reduce restrictions and introduce more competition, this will result in savings for parents.

- 1.30 Given the findings in this report, the OFT recommends that schools consider whether their current arrangements are in the best interests of parents and change them if they are not.

## 2 BACKGROUND AND METHODOLOGY

- 2.1 In 2006, the OFT undertook a survey of the supply of school uniforms in state schools in the United Kingdom (the 2006 survey).<sup>5</sup> The 2006 survey aimed to assess the link between schools' uniform policies and prices of uniforms. It aimed to quantify any impact on prices that arose from restrictive arrangements - in particular where parents were required to buy uniform items either from a single retailer or from the school itself.
- 2.2 The 2006 survey found that arrangements where parents were required to buy items either from a single retailer or from the school itself led to particularly high prices for parents. The higher prices appeared generally to outweigh any financial benefit to the school arising from the arrangements. Furthermore, less than one in ten schools with restrictive arrangements reported that they were considering changing any part of their current policy before the end of the next academic year.
- 2.3 In February 2007 the Department for Education (DfE) (then the Department for Children, Schools and Families) published guidance to schools on uniforms policy. This guidance, which was updated in May 2012, emphasises to schools the importance of limiting the prices of uniform items and that schools should aim to introduce as much competition as possible into their uniform sourcing arrangements.<sup>6</sup> Some of the devolved administrations have published similar guidance to schools on their websites.<sup>7</sup>
- 2.4 Generic uniform items are readily available in large high street chain retailers. Large supermarket chains offer a wide range of school uniform items for low prices and have attempted to fill a gap in the market left by the demise of the Woolworths chain, which until its failure was one

<sup>5</sup> [www.offt.gov.uk/OFTwork/markets-work/othermarketswork/school-uniforms](http://www.offt.gov.uk/OFTwork/markets-work/othermarketswork/school-uniforms)

<sup>6</sup> <http://education.gov.uk/schools/leadership/schoolethos/b0014144/schooluniform>

<sup>7</sup> See for example,

<http://wales.gov.uk/topics/educationandskills/publications/guidance/uniform/?lang=en>  
[www.nidirect.gov.uk/school-uniform](http://www.nidirect.gov.uk/school-uniform)

of the principal suppliers of generic school uniform items. Supermarkets, large department stores such as BHS and Debenhams and variety stores such as John Lewis and Selfridges all stock generic uniform items.

- 2.5 The current economic climate is markedly different to the one under which the previous study was conducted in 2006. Family living budgets have come under increased pressure over the last few years from rising food, fuel and energy prices, a fluctuating retail economy and the recent recession. Local authorities are also withdrawing financial support for children moving from primary to secondary school. Against this background, it is even more important for schools to consider affordability in their decisions.
- 2.6 This report aims to assess the current arrangements and prices in the market for uniforms in 2012 to determine whether there is still potential for schools to alter their supply arrangements to save parents money.

## Methodology and sampling

- 2.7 This research project has two strands:
- An **online survey** distributed to all state secondary schools and roughly one-fifth of state primary schools in the UK. The survey was designed to capture information on current uniform policy, arrangements restricting availability of items to one retailer or to the school itself and other factors, such as the financial assistance available to parents for purchasing school uniforms.
  - A **mystery shopping exercise** designed to (i) verify the price of uniform items subject to restrictive arrangements and (ii) determine a range of prices of generic uniform items available from school uniform retailers, department stores, variety stores and supermarkets.

### Online survey

- 2.8 As some of the information requested may have required the respondent to carry out a small amount of internal research, an online survey was chosen as the most suitable methodological approach. The online setup allowed the respondent to pause the survey and return to it once the

data had been obtained and also allowed for validating data which can lead to a more complete and better quality data set.

2.9 Details of the sampling process used for primary schools can be found in Annexe A.

2.10 To maximise response rates and maintain interest in the survey amongst schools a multi-stage research process was used.

- Prior to the online survey, all eligible schools were sent an advance letter detailing the aims and objectives of the study as well as instructions on how to take part.
- A week after the advance letter had been sent and the survey was live, telephone reminders were conducted to encourage participation in the study and to assess the likelihood of the school completing the survey. Accurate email addresses of the person most appropriate to complete the survey were also collected.
- The email addresses collected in the telephone reminder stage were used in a third follow-up exercise shortly before fieldwork closed to help boost the number of responses.

2.11 A total of 1,636 schools completed the survey. Details of the number of responses by country and education level, and response rates, can be found in Annexe A.

## **Mystery shopping**

2.12 Alongside the main online survey, a mystery shopping exercise was conducted which consisted of two elements:

- A price verification exercise - where schools restricted availability of some items to a single retailer appointed by the school, the prices given in the online survey were verified by telephoning that retailer.
- A price gathering exercise - where items of school uniform were noted as either restricted to one retailer appointed by the school, or restricted to the school itself, a price for a generic version of this item was obtained from a nearby retailer of school uniform.

Accompanying this was a smaller price gathering exercise amongst the major retailers and supermarkets.

## **Weighting**

- 2.13 The survey data were weighted to be representative of all schools in the UK by country and school type.

## **Reporting data**

- 2.14 Where meaningful differences between sub-groups emerge, they are highlighted in the commentary. Throughout this report, all differences indicated are significant at the 95 per cent confidence level unless otherwise stated. This applies to differences by sub-group within the 2012 data and to comparisons between the 2012 and 2006 data.<sup>8</sup>

<sup>8</sup> Observations at this level of detail will largely be found in the Annexes to the Survey Report.

### **3 COMPETITION IN THE MARKET FOR UNIFORMS: RESTRICTIONS ON WHERE UNIFORMS CAN BE BOUGHT**

- 3.1 This chapter looks at schools with compulsory uniforms and estimates how many of those schools imposed restrictions on where items of uniform could be bought.

#### **How many schools made uniforms compulsory?**

- 3.2 The survey focused on compulsory uniform items. We considered that restrictions on items that were not compulsory were less likely, and less significant, as parents were not obliged to buy such items. We found that most UK schools had a compulsory uniform. Seventy nine per cent of UK schools said that their pupils must wear a uniform of some kind. This was slightly lower than the corresponding result in the 2006 survey (82 per cent), mainly due to a lower figure for primary schools. The same proportion of secondary schools in 2012 reported having a compulsory uniform as in 2006 (98 per cent).

#### **How many of those schools imposed restrictions on choice of retailer?**

- 3.3 The 2006 survey showed that imposing restrictions on where items could be bought led to higher prices. An important objective of the 2012 survey was to find out to what extent schools still imposed restrictions on where uniform items could be bought. In particular, we were interested in whether availability was restricted to a single retailer or to the school itself. These arrangements generally lead to the highest prices.
- 3.4 Table 3.1 illustrates the proportion of schools which have adopted each selling arrangement. It shows that almost three quarters of UK schools with uniforms (74 per cent) placed some kind of restriction on where at least some items could be bought,<sup>9</sup> while just over a quarter of schools (26 per cent) allowed parents to buy all items from any outlet.

<sup>9</sup> This figure represents 94 per cent of secondary schools and 69 per cent of primary schools.

Restrictions were more common in secondary schools than in primary schools.

**Table 3.1: Proportion of schools imposing restrictions on uniforms (%)**

<b>Restricted arrangements</b>	Single retailer	19
	School shop	29
	Restricted number of retailers	26
	Total proportion of restricted arrangements	74
<b>Unrestricted arrangements</b>	No limit on availability	26
	Total of both arrangements	100

3.5 In particular, nearly a fifth (19 per cent) of all schools in the UK with a compulsory uniform restricted the availability of at least one uniform item to a single retailer appointed by the school.<sup>10</sup> A further 29 per cent of schools had at least one uniform item that was only available from the school itself.<sup>11</sup> In total, 47 per cent of schools restricted at least one item to a single retail outlet, meaning that parents in almost half of all schools in the UK have no choice about where they buy items of uniform.

### **What was the extent of the restrictions?**

<sup>10</sup> This figure represents 29 per cent of secondary schools and 16 per cent of primary schools.

<sup>11</sup> 32 per cent of secondary and 29 per cent of primary schools.



- 3.6 Schools tended to impose restrictions on different items, but rarely on the whole uniform. We asked which specific uniform items schools imposed restrictions upon.
- 3.7 Respondents were then asked to state where each compulsory item<sup>12</sup> could be bought, with the following options provided:
- from the school itself
  - from a single retailer that is designated by the school
  - from retailers that are designated by the school but there is more than one retailer (or chain of retailers)
  - from both designated retailers and from the school itself, and
  - from any retailer (as long as the item conforms to the school style).
- 3.8 Table 3.2 shows the proportion of UK schools which applied restrictions on the availability of at least one uniform item.

<sup>12</sup> In this context, compulsory items include those which were deemed 'compulsory with alternatives'.

**Table 3.2: Proportion of UK schools restricting availability to a single outlet<sup>13</sup>**

	Single retailer	School shop	Total restricted to single outlet
Primary %	16	29	44
Secondary %	29	32	59

3.9 The table shows that almost 60 per cent of parents of secondary school children and 44 per cent of parents of primary school children will have had no choice about where to buy some items of uniform. Those items were only available from a single outlet. These schools could introduce more competition by removing restrictions, giving parents the ability to choose where to buy the uniform and driving down prices.

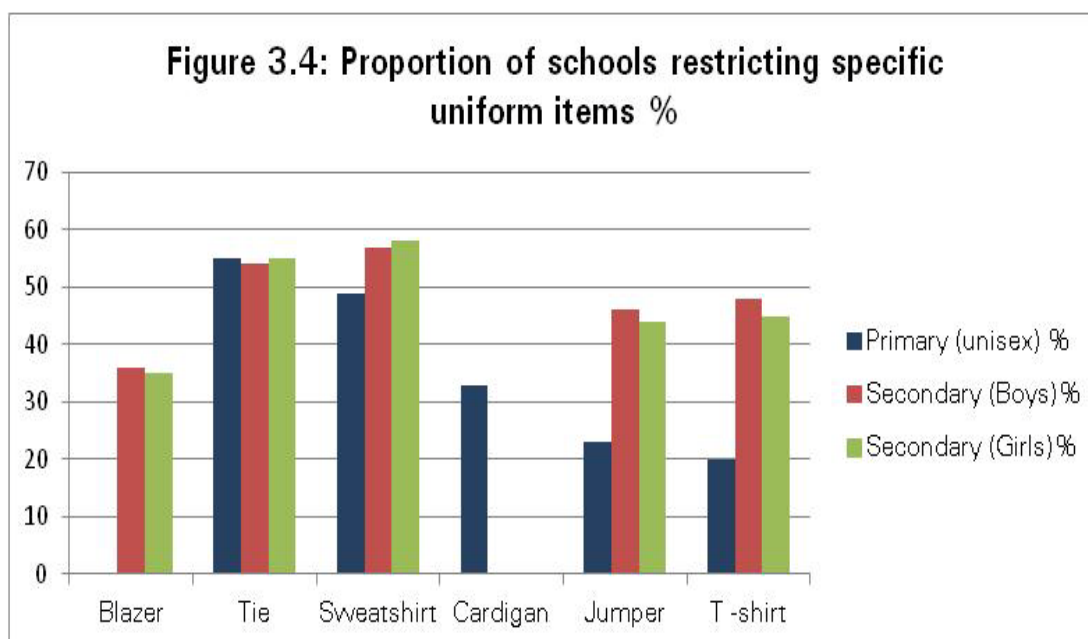
3.10 Table 3.3 shows the number of uniform items per school which were restricted in a typical school. In other words the majority of primary schools which restricted uniform sales to a single retailer did so for two to three items. Secondary schools were likely to impose restrictions on more items than primary schools, where many items were available without any restrictions applying.

<sup>13</sup> A small number of schools had both arrangements, hence slight discrepancies in the total column.

**Table 3.3: Number of items restricted in a typical school**

	Single retailer	School shop
Primary	2 to 3 items	1 to 2 items
Secondary	3 to 4 items	3 to 4 items

3.11 Table 3.3 above gives the typical number of items restricted by type of school. Figure 3.4 below sets out which uniform items were most commonly restricted. Focusing only on compulsory items for which quantitative analysis was possible,<sup>14</sup> the chart sets out those items which were reported as only available from a single outlet (a single retailer appointed by the school or the school itself) by at least a fifth of each type of school.<sup>15</sup> Ties and sweatshirts were most likely to be subject to restrictions, while blazers, jumpers and t-shirts were the least likely.



<sup>14</sup> That is, where the number of responses was 50 or above.

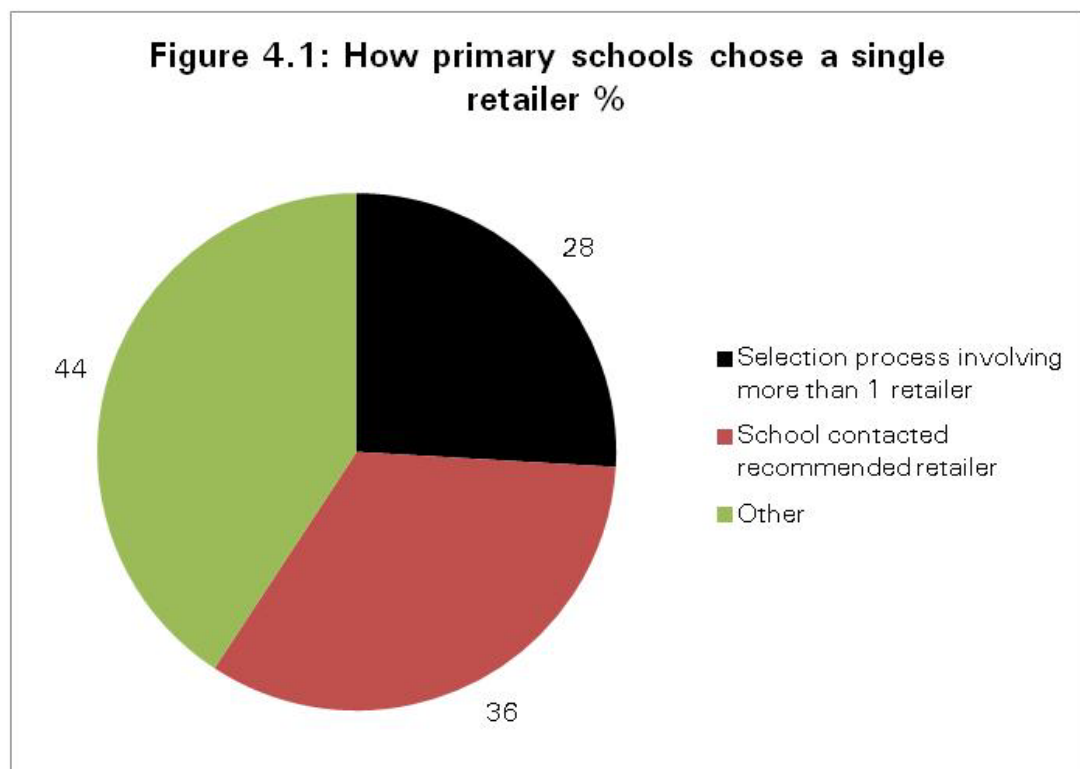
<sup>15</sup> The full breakdown of results is shown in Figure C.7 in Annexe C.

## 4 COMPETITION FOR THE MARKET: THE PROCESS OF SELECTING UNIFORM SUPPLIERS

4.1 Chapter 3 explains that restricting availability of uniform items to a single retailer or to the school itself reduces competition in the market, as there are no competing suppliers to sell those items. It is better not to have any restrictions on the sale of uniform items and to allow parents to choose where to buy them. Where schools decide that they still need to appoint a single retailer or supplier, then they have a responsibility to ensure their decision represents value for money for parents. Schools that use a selection process to choose their retailer or supplier, which is regularly reviewed and focuses on price for parents, should be able to ensure that parents get better value for money.

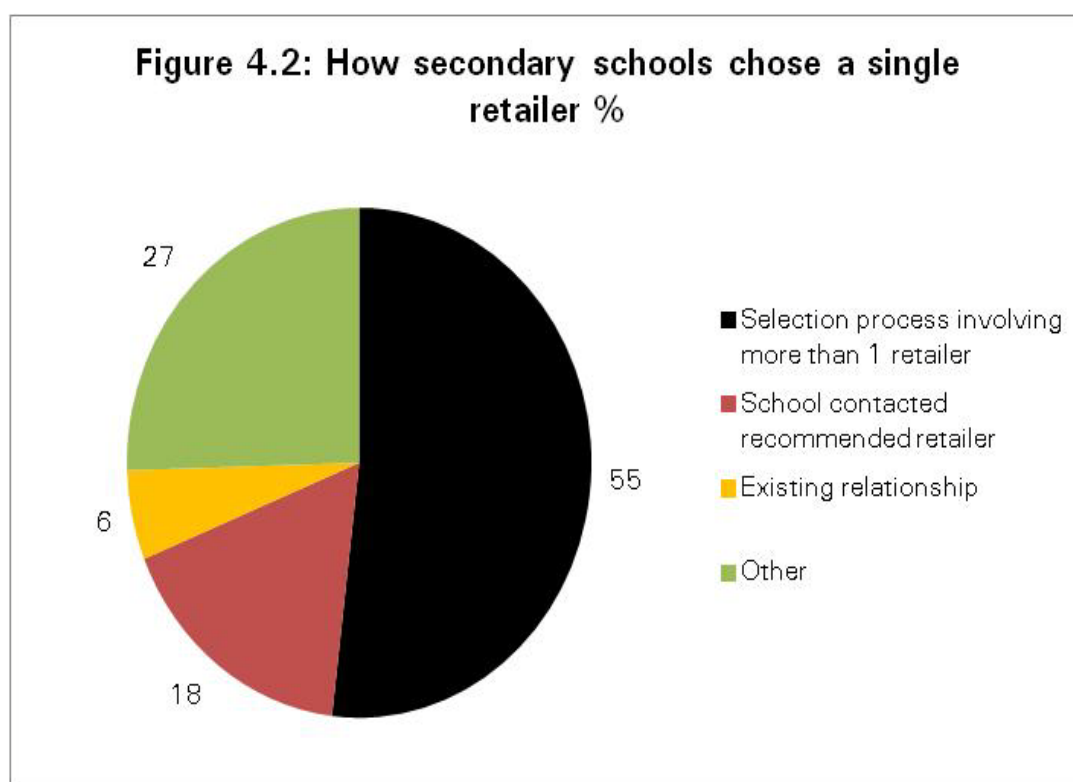
### Restriction to single retailer – how the retailer is selected

4.2 Figure 4.1 illustrates the process by which primary schools which used a single retailer arrangement for items of their uniform chose that retailer.



4.3 The most common process used by primary schools to choose a single retailer was to contact a retailer that had been recommended to them (36 per cent). Only 28 per cent of primary schools reported carrying out a selection or tender process involving more than one retailer. The rest reported a number of more informal processes.

4.4 Figure 4.2 illustrates the process by which secondary schools which used a single retailer arrangement for items of their uniform chose that retailer.

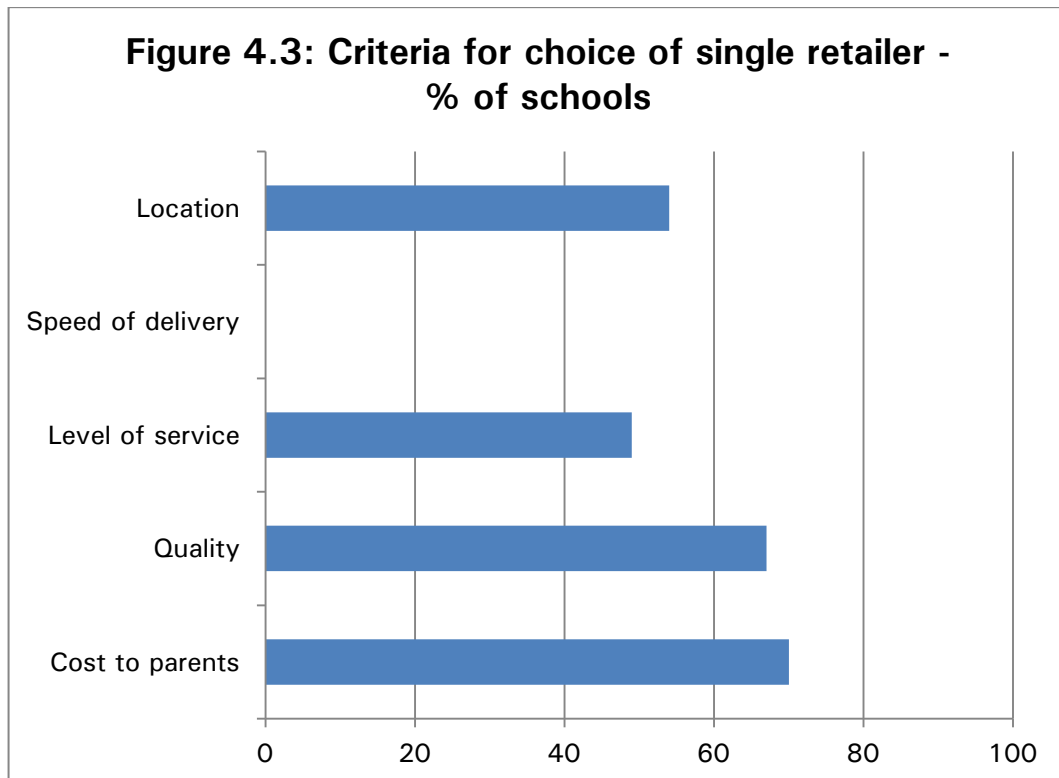


4.5 Figure 4.2 shows that just over half of secondary schools (55 per cent) carried out a selection or tender process involving more than one retailer before choosing a single retailer for uniform items. While this is higher than the figure for primary schools, it still means that 45 per cent of schools used a single retailer without any recent selection process to inform that choice. In 18 per cent of cases the school contacted a retailer which had been recommended to them. As noted above, where schools use a tender process that is regularly reviewed, and is sensitive

to the cost to parents of the restricted items, this can help to provide better value for money.

### Criteria for choosing a single retailer

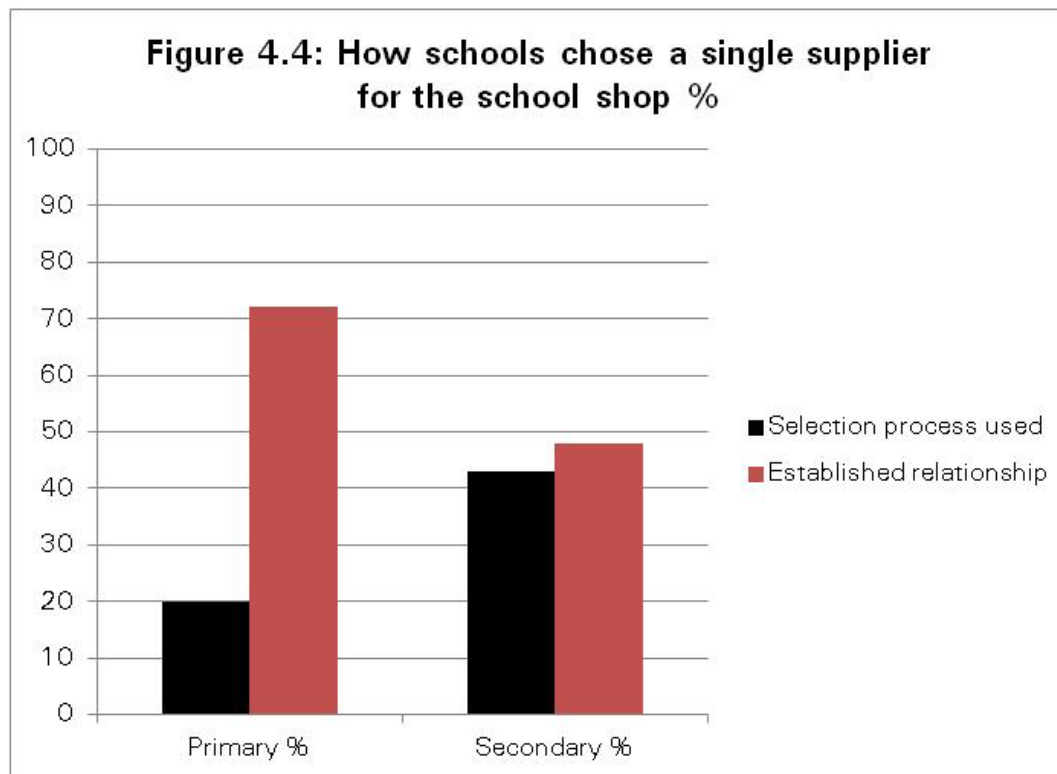
4.6 Figure 4.3 sets out the criteria that both primary and secondary schools most commonly cited as factors in choosing a single retailer to supply uniform items. Schools were permitted to cite more than one criterion.



4.7 The cost of the products to parents was cited by the most schools as a factor in making their decision. This sensitivity to price might mitigate somewhat the effect of the restrictions on prices, particularly if the contract is monitored and renewed regularly. However, the survey also showed that the average duration of contracts with single retailers was almost four years. This indicates that schools do not review the contracts very often. Hence, the process may not be very effective in keeping prices down.

## Restriction to the school shop – how the single supplier was selected

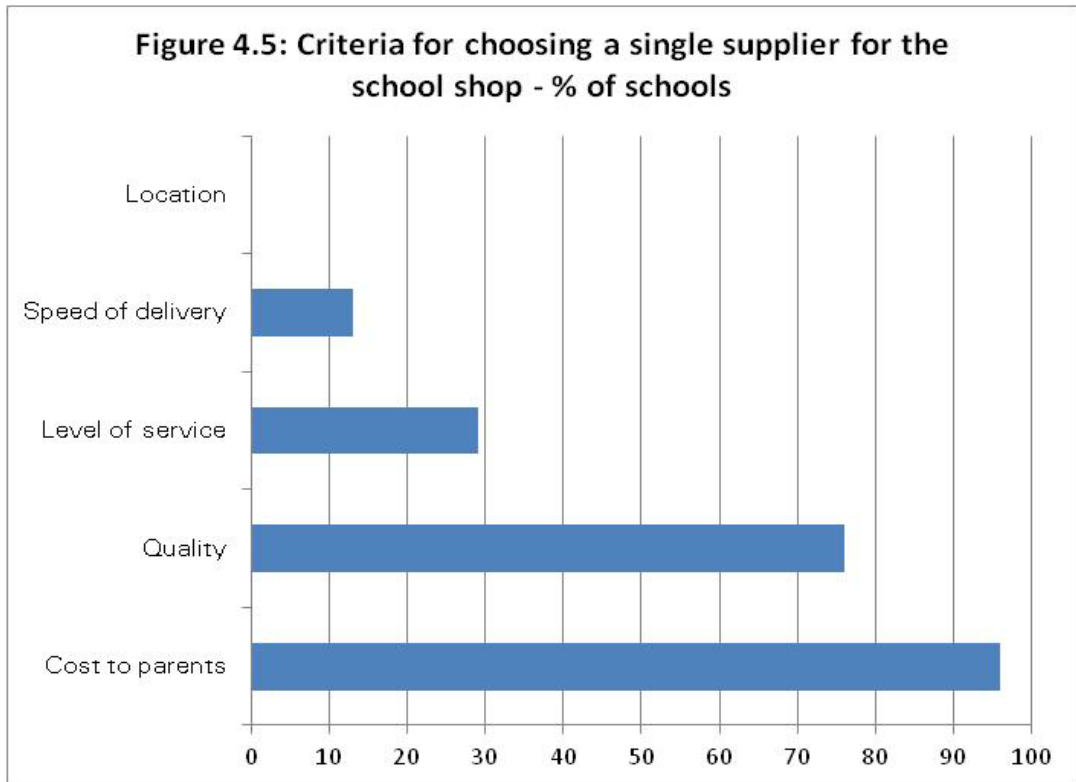
4.8 Figure 4.4 illustrates the main ways in which primary and secondary schools chose a single supplier for the school shop.



4.9 Secondary schools were more likely than primary schools to have used a selection or tender process to find a supplier. For primary schools, only 20 per cent used a selection process to choose their supplier. For both types of schools, the arrangement was more likely to have already been established, suggesting that there is scope for schools to bring more competition into their supply arrangements to get a better deal.

## Criteria for choosing a single supplier for the school shop

4.10 Figure 4.5 sets out the criteria that schools most commonly cited as factors in choosing a single supplier to provide items to be sold in the school shop.



4.11 The cost to parents was cited by nearly all schools as a factor in making their decision, and this would depend on the purchase price to the school. This sensitivity to price might mitigate the effect of the restrictions, particularly if the contract is monitored and renewed regularly. However, the survey also showed that the average duration of contracts with single suppliers was almost eight years. This strongly indicates that schools do not review the contracts very often. Hence, the process may not be very effective in keeping prices down.



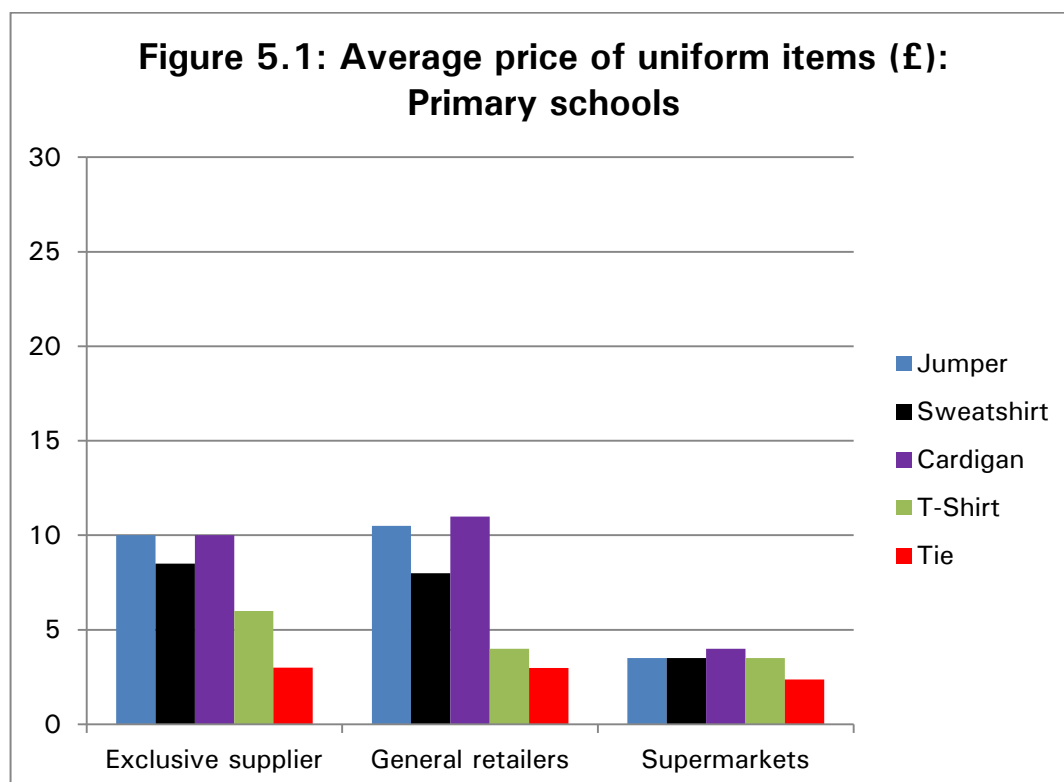
## 5 IMPACT OF RESTRICTIVE ARRANGEMENTS ON PRICES

- 5.1 We compared the prices for uniforms that were only available from a single outlet (either a single retailer or the school itself), with the prices for generic versions available locally. We used this comparison to estimate the potential savings for parents if restrictions were lifted.
- 5.2 Supermarkets were the cheapest source of all. For example, the price for a sweatshirt for secondary school boys from a single retailer arrangement was on average £12. An indicative price from a supermarket was £5, a difference of £7. For secondary school girls' skirts, the equivalent figures were £15.40 and £5, a difference of over £10.
- 5.3 Even if items were not available in supermarkets, but were available from more than one retailer, parents would save money. For example, a comparable price to parents of the £12 sweatshirt referred to in the preceding paragraph was £7.99 – over £4 less - when sold through multiple competing retailers. And a comparable price to parents of the £15.40 skirt referred to in the preceding paragraph was £11.45 – almost £4 less - when sold through multiple competing retailers.
- 5.4 Parents who are not able to shop around for uniform items are paying as much as £5 to £10 too much for many of these items. We estimate that for every £1 difference in price per item the total detriment to parents of school age children is £4.9 million each year for primary school children and £5.5 million for secondary school children. At a typical price difference of £5 per item, the total detriment would amount to £52 million each year across the two groups.<sup>16</sup>

<sup>16</sup> In order to establish the overall estimate of the detriment to parents, we have drawn together all the information provided by schools about which items of school uniform were compulsory, which items were in addition subject to restricted supply, and also factored in the numbers of pupils involved and the typical number of times these items are purchased each academic year.

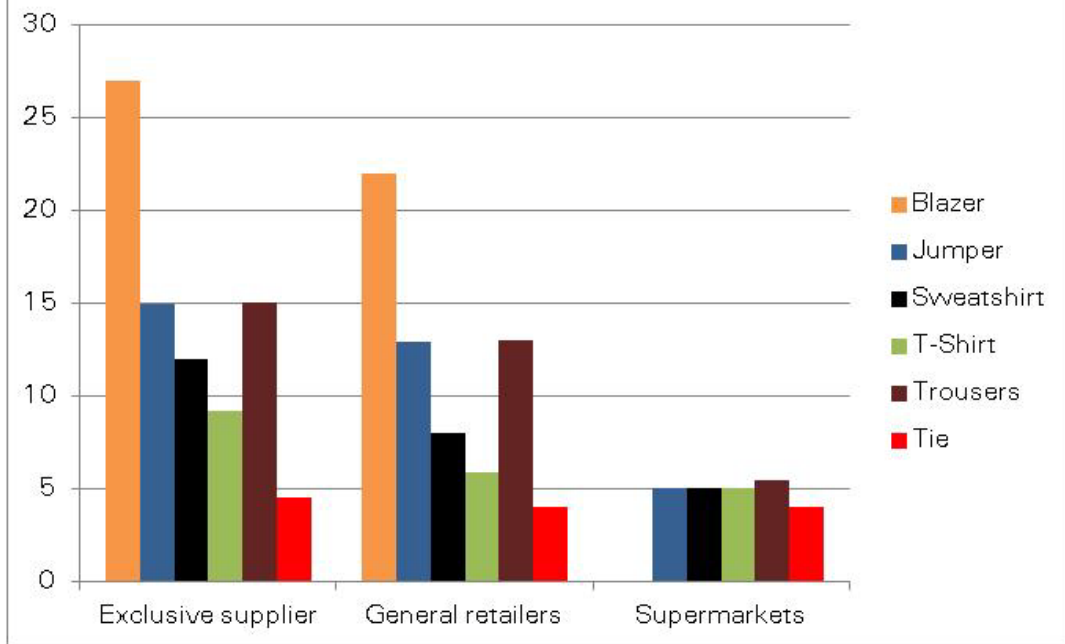
## Price comparisons

- 5.5 Nearly 500 prices were gathered, from over 200 stores (see Annexe D for details). This data showed in most cases that items sold through a single outlet or through the school were more expensive than those sold through any other arrangement.
- 5.6 Figures 5.1 to 5.3 set out the average prices for a range of uniform items according to the type of school (primary, secondary boys and secondary girls).<sup>17</sup>

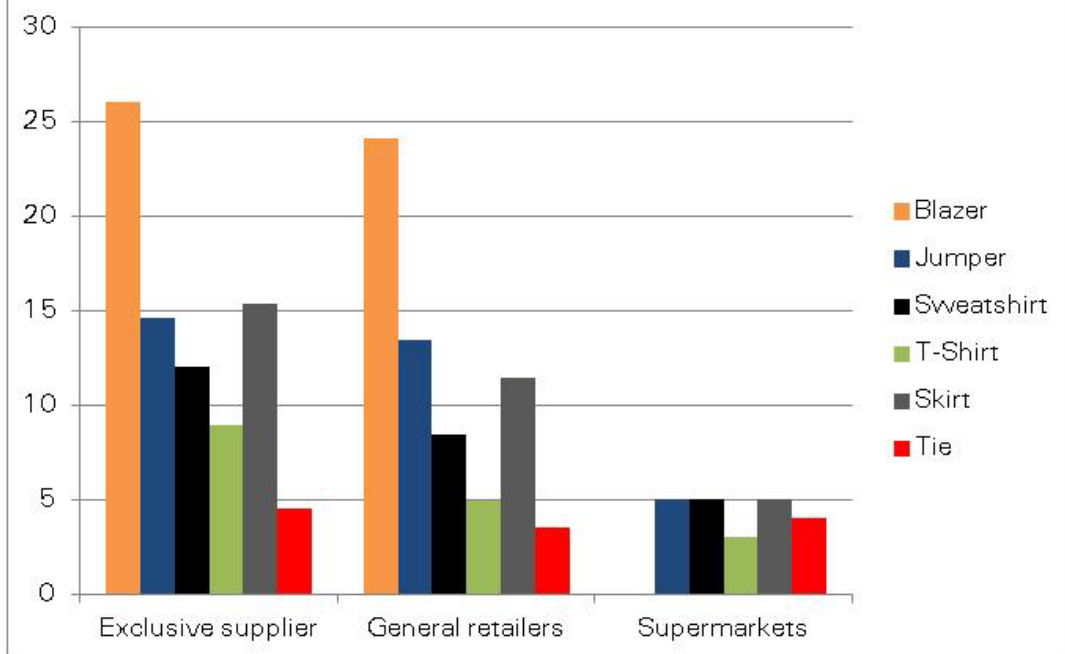


<sup>17</sup> We have used the median average rather than the mean average in Figures 5.1 to 5.3. This is because there are several extreme price points (such as £2.50 for a sweatshirt and £168.99 for a skirt). Using the median takes the middle value (when all prices are arranged in numerical order) and is therefore less sensitive to the effects of any extreme values.

**Figure 5.2: Average price of uniform items (£):  
Secondary schools - boys**



**Figure 5.3: Average price of uniform items (£):  
Secondary schools - girls**



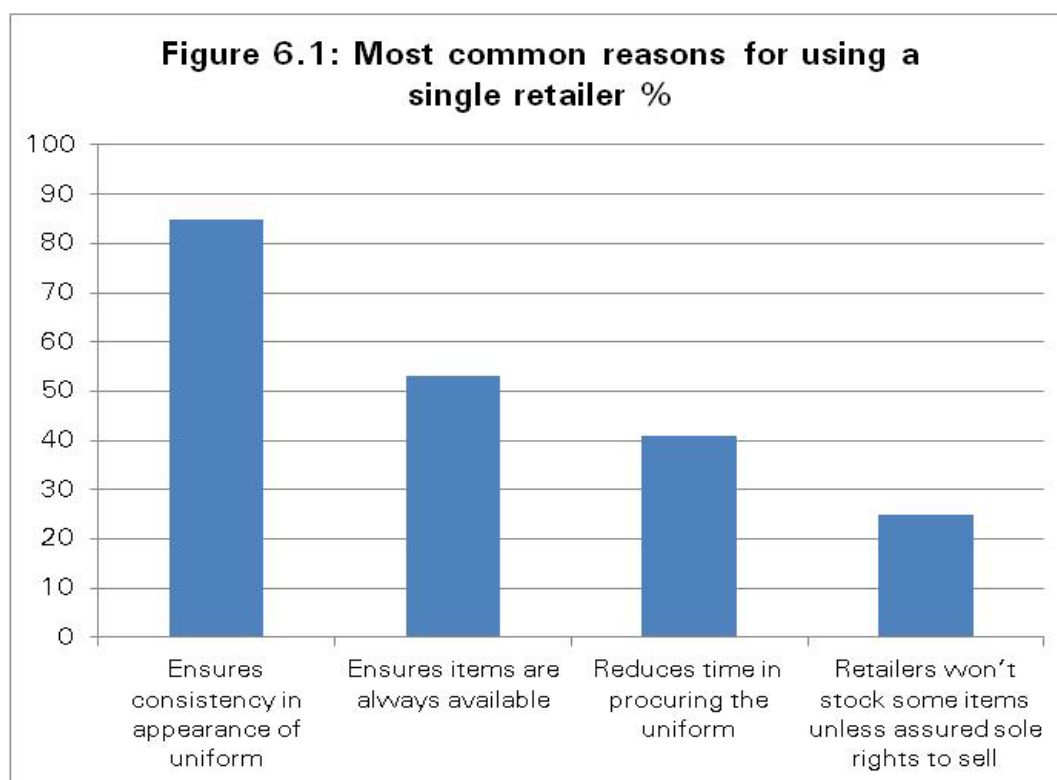
- 5.7 The tables show that in the great majority of cases, items sold through a single source were more expensive than those more widely available through general retailers:
- For example, for secondary schools (both boys and girls), all uniform items were found to be cheaper if sourced without restrictions from general retailers.
  - For primary schools this was the case for most items. The exceptions were jumpers and cardigans.
- 5.8 For both primary and secondary schools, prices of all items were significantly cheaper when the item could be bought from a supermarket. Some items were as much as three times more expensive than the supermarket price if bought from a single outlet, for example, a secondary school girls' skirt.
- 5.9 If schools were to remove any restrictions on where parents can buy the uniform, allowing parents to shop around more freely, this could generate considerable savings for some families.
- 5.10 Where schools remain with a single retailer arrangement, if there is an element of competition for the market in the form of a tender or selection process that is regularly reviewed, this is likely to result in lower prices.

## 6 REASONS BEHIND RESTRICTIVE ARRANGEMENTS AND BENEFITS TO SCHOOLS

6.1 In the 2006 survey, schools reported a variety of reasons for adopting a restrictive arrangement, for example, some schools received a financial benefit. The OFT wished to assess whether these factors still featured in schools' decisions to adopt restrictive arrangements, and which factors were most relevant to them.

### Reasons for restricting availability to a single retailer

6.2 Schools which actively enforced single retailer arrangements were asked why they had adopted such arrangements. Figure 6.1 shows the answers most commonly cited by schools for using a single retailer for some items.



6.3 The most commonly cited reason for doing so was that it ensured consistency in the appearance of the uniform (85 per cent). While we understand that consistency is a concern for schools, we believe that they can achieve this objective without unduly restricting supply, for

example, through setting out colour and style requirements in more detail but still allowing parents choice about where they source the item.

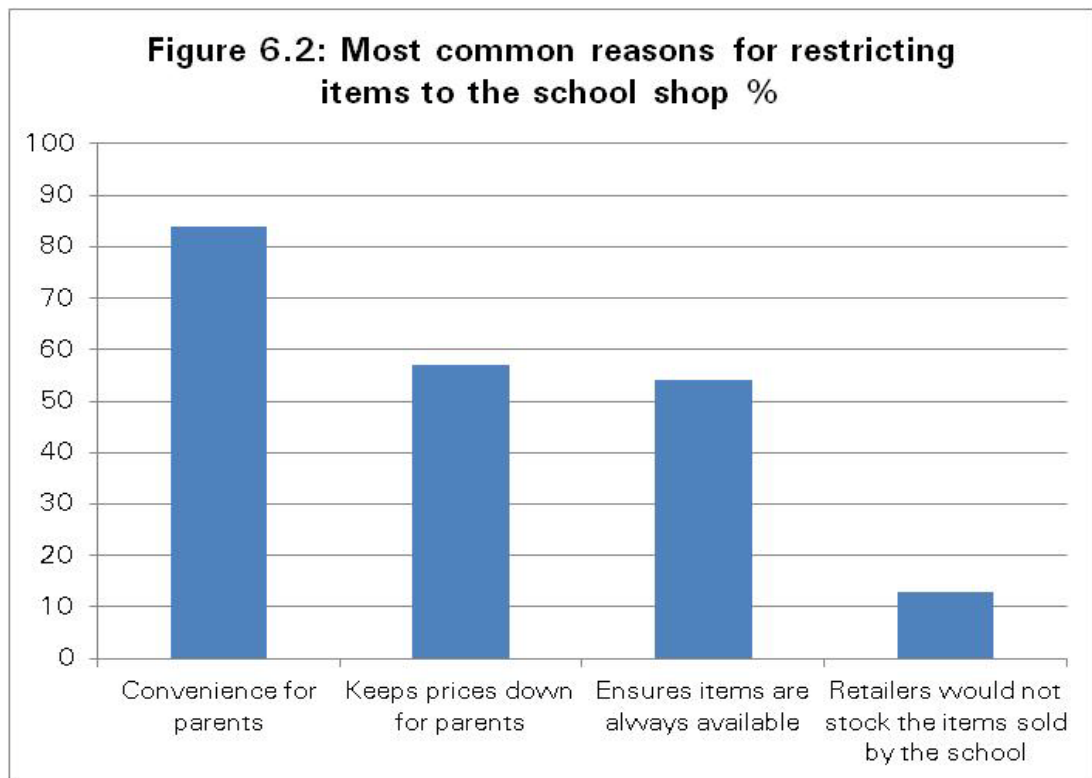
- 6.4 The OFT also understands the other reasons given by schools in Figure 6.1, but considers that it is not necessary to impose restrictions on availability of uniform items in order to achieve these goals.

### **The financial benefits to schools of adopting single retailer arrangements**

- 6.5 The proportion of schools which actively enforced single retailer status and which reported that the school benefitted financially was 19 per cent.
- 6.6 On average, the annual financial benefit to each school of adopting a single retailer arrangement was £676 per school.
- 6.7 The financial benefits of a single retailer arrangement are unlikely to outweigh the cost to parents in the form of higher prices arising from that arrangement, even if these benefits were 'reinvested' exclusively by the school for the benefit of these parents' children.

### **Reasons for restricting availability to the school shop**

- 6.8 Schools which restricted availability of items to the school shop were asked why they had adopted the arrangement. Figure 6.2 sets out the most common reasons.



- 6.9 The vast majority of schools reported that convenience for parents was the main reason for their decision to restrict availability to the school shop (84 per cent).
- 6.10 We recognise that convenience is an important consideration for parents and will form part of the overall competitive mix offered by different outlets, alongside price and quality considerations. If parents are given more choice about where they can buy items, then they will be able to reflect the relative importance of each of these factors in their decisions. Hence, schools may actually be able to improve convenience for parents through opening up their arrangements.
- 6.11 The OFT also understands the other reasons given by schools in Figure 6.2, but considers that it is not necessary to impose restrictions on availability of uniform items in order to achieve these goals.

## Financial benefits to schools from selling the items

6.12 We did not obtain an average figure for profits made on arrangements with suppliers for the school shop. But we did ask whether schools had made a profit, loss or broken even. The proportion of schools which expected to make a profit from supplying items restricted to the school shop were:

- primary – 23 per cent
- secondary – 16 per cent

6.13 The financial benefits of an arrangement whereby items are restricted to sale in the school shop are unlikely to outweigh the cost to parents in the form of higher prices arising from that arrangement, even if these benefits were 'reinvested' exclusively by the school for the benefit of these parents' children.



## 7 PLANS TO REVIEW UNIFORM POLICY

7.1 The survey looked at how many schools had early plans to review their arrangements. For those schools which operated a restrictive arrangement, we asked whether they saw any particular disadvantages to relaxing restrictions.

### Plans to change policy

7.2 All schools - whether they had compulsory uniform items or not - were asked if they planned to make any changes to their uniform policy in the next five years. The proportion of schools which were planning changes was:

- primary – nine per cent
- secondary – 29 per cent.

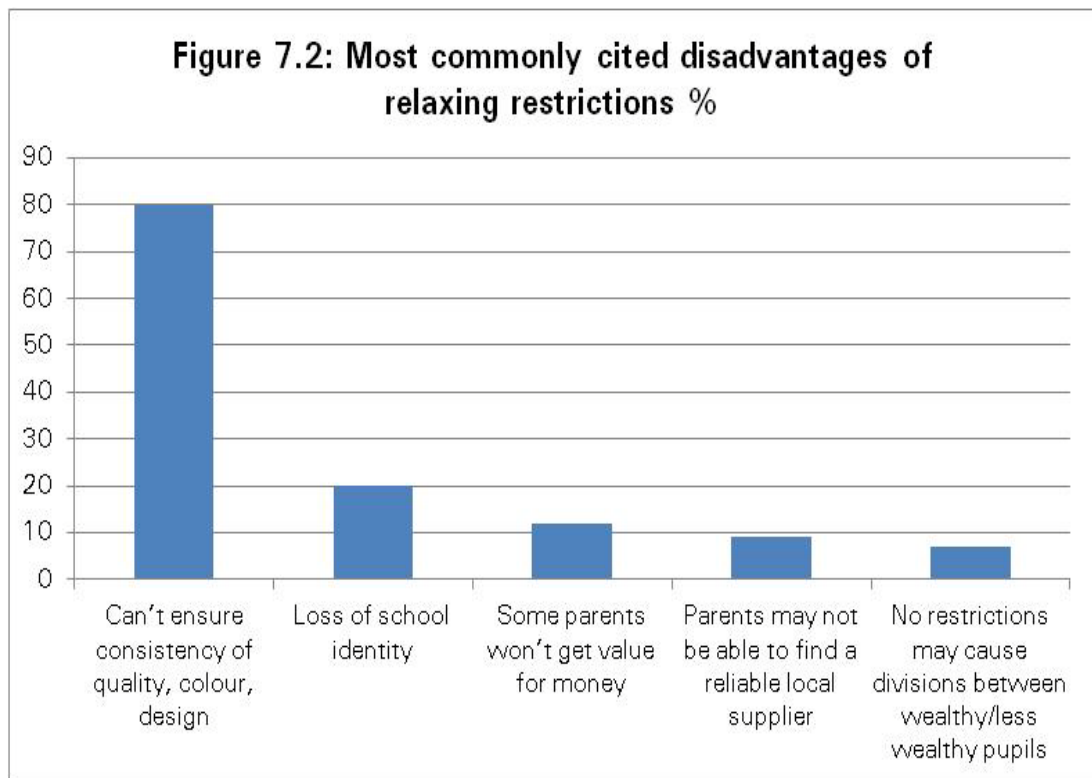
7.3 Table 7.1 sets out the proportion of schools which identified disadvantages to moving away from a restrictive arrangement.

**Table 7.1: Proportion of schools which saw disadvantages to relaxing restrictions**

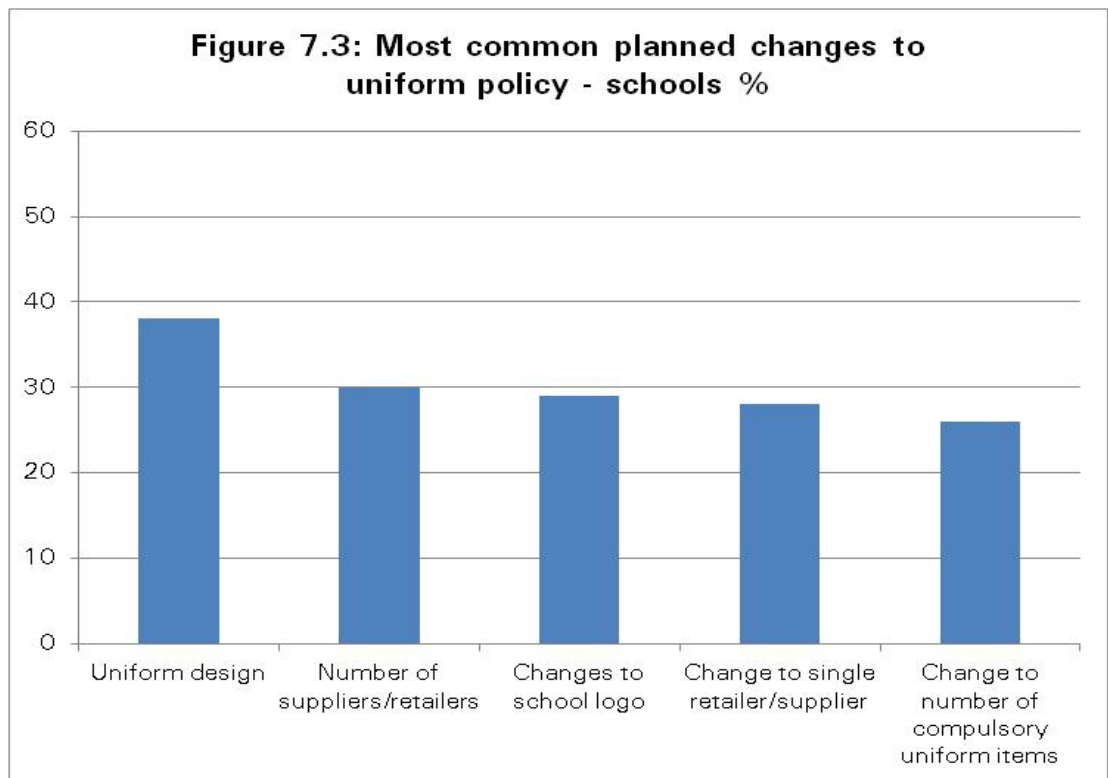
Primary %	Secondary %	Both %
31	60	37

7.4 The OFT is concerned about the figures set out in paragraph 7.2 and Table 7.1 above. They show that a significant proportion of schools which operate restrictive arrangements reported that they were not planning to review those arrangements particularly soon, and that many saw disadvantages to relaxing restrictions on the arrangements they currently operate.

7.5 Figure 7.2 sets out the disadvantages most commonly cited by schools of relaxing restrictions.



- 7.6 By far the most commonly cited reason was a concern about maintaining 'consistency of quality, colour and design'. While we understand that consistency is a concern for schools, we believe that they can achieve this objective without unduly restricting supply, for example, through setting out colour and style requirements in more detail but still allowing parents choice about where they source the item. As noted above, consistency issues were also cited as the main reason for adopting such arrangements in the first place.
- 7.7 Figure 7.3 sets out the most commonly cited changes to uniform policy by schools which reported planning such a change over the next five years.

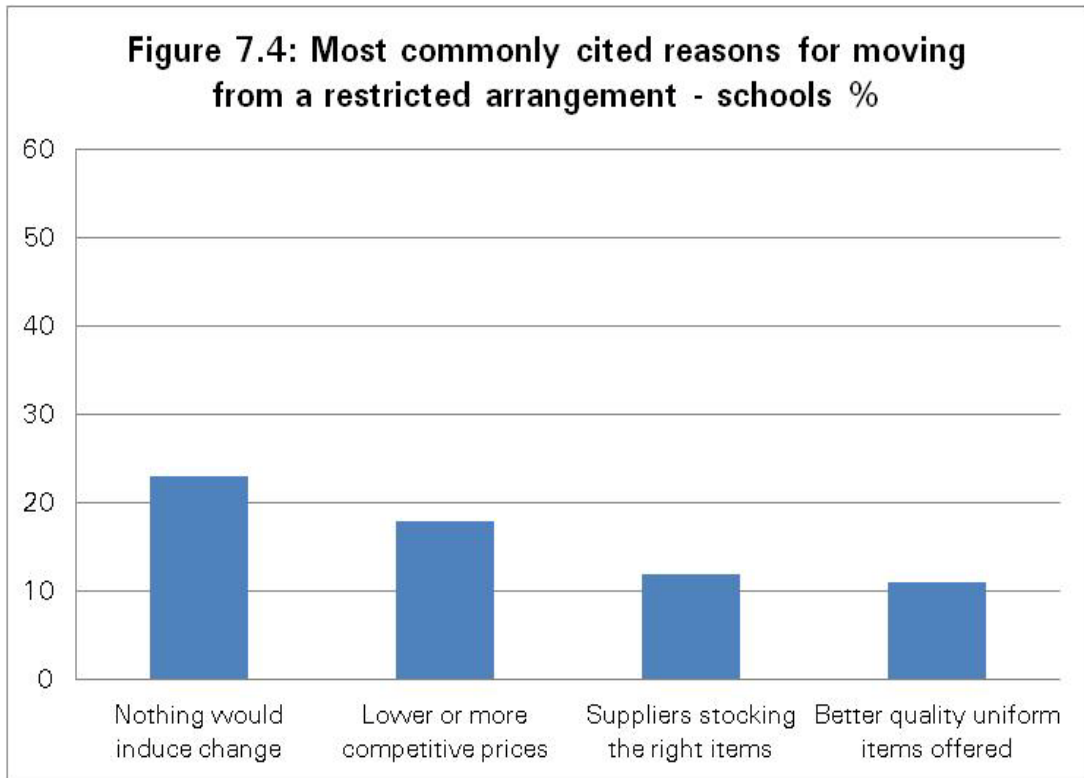


## Potential drivers of change

7.8 Schools with at least one compulsory uniform item but no plans to change their uniform policy in the next five years were asked what would encourage the school to adopt a uniform policy where:

- more suppliers stocked the uniform, or
- generic items were chosen in favour of specialised items or items bearing logos.

7.9 Figure 7.4 below sets out the most common responses.



7.10 We note with concern that some schools saw no reason to change a restrictive policy, and that others would only do so for specific reasons. Given the benefits of competition, the OFT would strongly encourage those schools to consider reviewing their arrangements, and to introduce as much competition into the process as they can. This should result in lower prices for parents and improved competition in the market generally.