

## **Notice of decision on individual review of charitable status SC016822 Belmont House Ltd**

### **1. Decision**

Following an inquiry under section 28 of the Charities and Trustee Investment (Scotland) Act 2005 (the 2005 Act), we are pleased to confirm that Belmont House Ltd (Belmont House School) meets the charity test and therefore continues to be eligible to be registered as a charity in Scotland.

### **2. Summary of assessment against the charity test**

Belmont House School's purposes, as set out in Clause 2.1 of the Memorandum of Association (as amended on 26 June 2008), are "the provision and advancement of education". We are satisfied that:

- these purposes are charitable;
- the charity's activities provide public benefit in furtherance of those purposes;
- there is no evidence of any significant private benefit or disbenefit arising in consequence of the charity exercising its functions; and
- the conditions on accessing the benefit are not, on balance, unduly restrictive.

In assessing Belmont House School against the charity test, we have had particular regard to the benefit it provides in furtherance of its purposes (both that which is charged for and that which is not) and the conditions on accessing that benefit, primarily the fees it charges its beneficiaries.

#### **a) Benefit which is charged for**

Belmont House School is an all-through, co-educational day school for pupils aged five to 18 years. It also has a nursery for boys and girls aged three to four years. During the financial year 2012-13 (which formed the basis of our assessment, as it was the most recent financial year for which complete financial information was available), it had a school roll of 230 pupils with a further 14 nursery pupils. The school's projected gross unrestricted income during the year was £2,096,022; we have used this figure for the purposes of our assessment.

In 2012-13, the school's annual nursery fees were £5,556 (full-time) and its annual school fees ranged from £8,408 (average primary day fee) to £10,338 (average senior day fee). The school's average junior and senior day fees were marginally higher than the average fees for Scottish Council of Independent Schools (SCIS) day schools in 2012-13<sup>1</sup> (£392 and £165 higher respectively). These fees are substantial and

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<sup>1</sup> Indicative average fees for SCIS schools analysis at September 2012, [www.scis.org.uk](http://www.scis.org.uk)  
(Note: comparison has been made with average day fees charged by day schools)

represent a restrictive condition on accessing the benefit provided by the school. In order for public benefit to be provided, there must therefore be significant mitigation of these fees in place.

Belmont House School provides benefit to its pupils which is charged for. In terms of educational benefit, the nursery follows the Curriculum for Excellence - Early Stage. Pupils in the school work towards qualifications in Standard Grade, Intermediate 1 & 2, National 4 & 5, Highers and Advanced Highers, with specialist tuition as appropriate. In addition, pupils may take part in co-curricular activities including drama, music and sporting activities.

**b) Benefit which is not charged for**

In addition, the school has provided evidence of a limited level of benefit for which it makes little or no charge. These activities provide benefit to the wider public in furtherance of the school's purposes by providing access to its services and facilities. For example, the school:

- Provides regular access to its facilities to a drama school for children.
- Provides access to its facilities to a Soccer School; in practice this is taken up on an ad-hoc basis.
- Contributes to national educational improvement and development by encouraging a significant number of staff to participate in educational forums and committees, marking national examination papers and hosting placements for trainee teachers
- Provides staff resources to manage and organise regional and national sports teams and leagues; the school advises these activities are undertaken through the school and almost entirely within school time.
- Provides work experience opportunities and longer-term placements in the Nursery and Junior School to children and young people from local schools and colleges who are interested in careers in education or who are already pursuing child care/nursery courses.

In assessing the benefit offered by the school which is not charged for, we have had particular regard to the relatively small size of the school. While its size means that the school's resources will be limited (for example, it does not own any playing fields), we have also considered the fact that Belmont House School is an all through school and therefore has greater scope to offer benefit which is not charged for than, for example, a junior school.

Our view is that the benefit for which there is little or no charge is limited; that with the most impact is likely to be the staff contribution to regional and national sport as well as their involvement in educational development and improvement. Nonetheless, we conclude that it is of an acceptable level, taking into account the context in which this

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school operates. In particular, we have noted the regular nature of most of the activities and the limitations which the school's size and resources place on the level of benefit it is able to provide.

The type and level of activity undertaken by Belmont House School mitigates to an extent the restrictive nature of the fees charged by the charity for part of the benefit it provides.

### **c) Facilitated access to benefit**

In addition to the benefit provided for which there is little or no charge, the school mitigates the impact of the fees it charges by offering both means-tested and non means-tested fee remissions to its pupils. Means-tested access arrangements have the most significant impact on opening up access that is restricted due to the fees charged, as these awards are primarily focussed on addressing financial need. However, our assessment has also had regard to the impact of non means-tested awards and discounts offered by the school.

The school spent a considerable sum in 2012-13 on means-tested bursary provision; this amounted to 9.7% of its gross income. In total, 33 pupils, or 14.3% of the main school roll (excluding the nursery pupils), were in receipt of a means-tested bursary award from the school which is a significant proportion. Bursaries are not assessed on academic ability, being available to any pupil who satisfies the entrance requirements, and are reviewed on an annual basis or when significant changes to parents' financial circumstances take place.

The bursaries awarded by the school were of varying values, with the main focus being on bursaries of 60% and more and the highest number of awards being in the 61-80% and 81-100% brackets. Means-tested bursaries offered by the school are available up to 100% of fee remission and, in the year reviewed, one pupil (0.4% of the main school's roll) was in receipt of a 100% award. Additionally, one pupil was in receipt of an award of £1,000 from an external trust .

Additionally, the school facilitates the access to the benefit it provides by offering non means-tested fee remissions to its pupils. In 2012-13, the school spent 5.4% of its gross income on non means-tested discounts which were awarded to 10.4% of the school's roll (again, excluding the nursery pupils). This type of fee remission was in the form of sibling and staff discounts.

The school is also a nursery partner provider, meaning that children who are eligible will receive part of their nursery fee from the local authority (up to a maximum of 15 hours per week). These grants have been awarded to six of the 14 nursery pupils and their cumulative financial value in the 2012-13 school year is projected to be £8,000.

The school has also advised us that it provides non means-tested 'matched partnership funding' to five children who reside outwith the local authority boundary area and are

therefore not eligible for such grant funding. The value of this funding during the 2012-13 year is projected to be £1,140.

Further, the school also accepts childcare vouchers; this is a scheme which enables parents to make tax savings on their childcare costs. Both this initiative and the nursery partnership funding serve to facilitate access to the benefit provided by the school, albeit they are not primarily directed at those in financial need.

Although the school does offer limited non means-tested facilitated access arrangements, it is clear that its main focus is on opening up the opportunity to access the benefit it provides to those who are unable to pay the full fee and particularly on those on the lowest incomes. This focus on addressing financial need has the most impact on reducing the restrictive nature of the fees charged.

#### **d) Conclusion**

On balance, we conclude that Belmont House School has provided sufficient evidence that the impact of the fees charged by the school is mitigated in particular by the provision of means-tested facilitated access and, to a lesser extent, by the provision of benefit for which there is little or no charge.

In reaching our conclusion, we have had particular regard to the considerable proportion of its income spent by the school on means-tested assistance and the significant number of children in the main school who are in receipt of such benefit. We have also noted the school's focus on providing higher-value bursaries which have the greatest impact on facilitating access to benefit for those on low incomes.

However, the school provides a limited level of benefit for which there is little or no charge and consequently this has a relatively low impact in opening up access to benefit for a significant range of beneficiaries outwith the school. In assessing this aspect of the school's activity, we have particularly considered the limitations it faces in offering this type of benefit, namely its size and its available resources.

On balance, we conclude that the level of means-tested bursary provision and the benefit for which there is little or no charge cumulatively serve to mitigate the impact of the fees charged by the school. We therefore do not consider that there are any unduly restrictive conditions on accessing the benefit provided by the school and public benefit is provided. Belmont House School continues to meet the charity test.

1 May 2013