

## **Notice of decision on individual review of charitable status SC016265 St. Margaret's School for Girls**

### **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 St. Margaret's School for Girls 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**

St. Margaret's School for Girls' purposes as set out in Clause 3 of the Articles of Association (as amended by special resolution on 31 March 2013) are:

...the advancement of education generally but particularly by the provision of a girls-only day school and co-educational nursery.

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 St. Margaret's School for Girls 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**

St. Margaret's School for Girls is an all-through, day school for girls aged five to eighteen years. It also has a nursery for boys and girls aged three to five years. During the financial year 2011-12 (which formed the basis of our assessment as it was the most recent period for which the school was able to provide complete, reliable financial information), it had a school roll of 363 pupils with a further 30 nursery pupils. The school's total unrestricted income during this year was £3,567,838; we have used this figure for the purposes of our assessment.

In 2011-12, the school's annual nursery fees were £5,832 (full-time) and its annual school fees ranged from £7,965 (average junior fee) to £9,978 (average senior fee). The school's average junior fees were marginally lower than the average fees for Scottish

Council of Independent Schools (SCIS) day schools in 2011-12<sup>1</sup> (£63 lower) and its average senior fees were marginally higher (£24 higher). Despite the fact that the fees are in line with the average fees charged by other day schools, they are nevertheless substantial and 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.

St Margaret's School provides benefit to its pupils which is charged for. The school follows the Curriculum for Excellence, with children in the junior school being taught core subjects by form teachers whilst specialist teachers provide instruction in French, drama, music, P.E. and art. In the senior school, pupils are taught by specialist teachers for all subjects and sit SQA exams. The school offers various co-curricular activities in areas such as sport, drama and music as well as offer in social activities and trips abroad.

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

In addition, the school has provided evidence of a moderate level of benefit for which it makes little or no charge. These activities provide some 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 staff resources to contribute to the work of the SQA. This involves approximately nine members of staff undertaking activities such as setting and marking examinations, developing qualifications and contributing to curriculum review groups.
- Provides placements for trainee teachers and nursery nurses as well as work experience pupils. On average, two students each year benefit from such placements at the school.
- Regularly permits students from other schools to undertake a course of Advanced Higher study at the school for no charge. On average, one student each year benefits, most recently for the sitting of Advanced Higher Statistics.
- Invites students from other schools to take part in the school's Oxbridge training sessions (involving attendance at 10 sessions held during the autumn term). A small number of students benefit from this activity most years.
- Organises Continuing Professional Development (CPD) events for geography teachers from the state sector. These events are usually held bi-monthly and involve sharing resources and developing teaching material.
- Provides use of its sports facilities (though these are relatively limited) to a local state primary school for one morning each week; this also involves the school providing a PE teacher to teach the visiting children a range of sports. Approximately 70 children each year benefit from this activity.

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<sup>1</sup> Indicative average fees for SCIS schools analysis at August 2011, [www.scis.org.uk](http://www.scis.org.uk)  
(Note: comparison has been made with average day fees charged by day schools)

These activities are relatively limited for an all-through school (as opposed to a junior school) operating in an urban context. The weekly attendance of pupils from a local state primary school is regular and scheduled. However, there is little evidence of other direct benefit being made available to children and young people locally on a similar scale. The above activities therefore mitigate 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 modest sum in 2011-12 on means-tested bursary provision; this amounted to 5.7% of its gross income. In total, 29 pupils, or 8% of the main school roll (excluding the nursery pupils), were in receipt of a means-tested bursary award from the school which is also considered to be a modest proportion.

Means-tested bursaries offered by the school are available up to 100% of fee remission for girls entering the last two years of junior school or the first year of senior school and, subject to annual review, these will continue to be offered for the duration of the pupil's education at the school. The school has advised that applicants for bursaries are ranked on the basis of their performance in the school's entrance examination and then on the grounds of need until the available funds for bursaries are exhausted.

For girls wishing to join the school for the first time in the last two years of secondary school, the school offers bursaries of up to 50% of fee remission. Again, these bursaries are awarded on a combination of merit and financial need. The charity advises that these bursaries were introduced to attract gifted pupils to the school and that, in practice, the school can usually only accommodate a small number of pupils for entry into these year groups.

In addition, the school also offers hardship bursaries to existing pupils of the school whose families' financial circumstances change during their period of education. These bursaries are also subject to annual reassessment to take account of any further changes in circumstances.

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% bracket. In the year reviewed, 8 pupils (2% of the main school roll) were in receipt of a 100% award. No pupils received funding from external sources in 2011-12, although such funding has been secured in other recent years.

Additionally, the school facilitates the access to the benefit it provides by offering non means-tested fee remissions to its pupils. In 2011-12, the school spent 2.7% of its gross income on non means-tested discounts which were awarded to 88 pupils, or 24.2% of the school's roll (again, excluding the nursery pupils). This type of fee remission was in the form of scholarships, sibling discounts and staff discounts (set at 40% remission for the majority of staff and 80% remission for senior staff). Additionally, the non means-tested fee remissions in 2011-12 also included 65 pupils who received a 2% fee discount granted to pupils who paid their fees on an annual basis. We understand that this form of fee remission has since been discontinued.

St Margaret's 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 fifteen hours per week). The cumulative financial value of these grants in 2011-12 was £43,039 and, on average, 27 of the 30 nursery pupils benefitted from such funding. This arrangement serves to facilitate access to the benefit provided by the charity, albeit it is not primarily directed at those in financial need.

#### **d) Conclusion**

On balance, we conclude that St. Margaret's School for Girls has provided sufficient evidence that the impact of the fees charged by the school is mitigated by the provision of means-tested facilitated access and benefit for which there is little or no charge.

In the context of the fees, we consider that the school has made reasonable provision for means-tested bursary assistance from its income. Although the level of expenditure on means-tested assistance is comparatively lower than some of the other schools reviewed, there is a general focus on higher-value awards (which have more impact on those with low incomes). Additionally, there are pupils in receipt of a full fee remission award.

While we note that the number of activities which are not charged for are relatively limited, they are frequent and of a level which is reasonable to expect, given the school's available resources.

Cumulatively, we consider that these measures are of a sufficient level 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. St. Margaret's School for Girls provides public benefit and continues to meet the charity test.

1 May 2013