

Notice of decision on individual review of charitable status SC016999 The Proprietors of the Edinburgh Academy

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 The Proprietors of the Edinburgh Academy ('the Edinburgh Academy') 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

The Edinburgh Academy's purposes as set out in its royal charter as amended 3 October 2011, are

(1) the provision of education in Scotland and in particular at The Edinburgh Academy including all aspects of nursery, primary and secondary education and the provision of all facilities to achieve that; and (2) the furtherance of that and the following objects a contribution to the educational life of Scotland in its widest sense and the provision of benefits related to the purposes of The Edinburgh Academy for those who may not be enrolled pupils at the Edinburgh Academy

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 rising in consequence of the charity exercising its functions; and
- the conditions on accessing the benefit are not, on balance, unduly restrictive.

In assessing The Edinburgh Academy 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

The Edinburgh Academy is a co-educational all through day school for children aged five to 18 years. It also has a nursery for boys and girls aged two to five 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 898 pupils with a further 100 nursery pupils. The school's unrestricted gross income during the year was £9,751,302; we have used this figure for the purposes of our assessment.

In 2012-13, the school's annual nursery session fees were £6,846 (full-time fee) and its annual school fees ranged from £7,799 (average junior fee) to £11,237 (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 2012- 13¹ (£217 lower) while the average senior fee was notably higher (£1,064 higher). These fees are 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.

The Edinburgh Academy provides benefit to its pupils which is charged for. Children in the junior school follow the Curriculum for Excellence. In the senior school pupils initially follow a broad curriculum and then move to choose a smaller number of GCSE subjects which are specialist in nature. In Sixths and Seventh, pupils can choose to study for Scottish Highers, Advanced Highers and English A Levels, The school offers a large number of co-curricular activities covering the arts, music, sport as well as charity work, the Duke of Edinburgh Awards Scheme and the Combined Cadet Force.

b) Benefit which is not charged for

In addition, the school has provided evidence 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:

- Contributes to national educational improvement and development by actively supporting and facilitating staff participation in national examination marking and development, curriculum development and in contribution to educational boards and committees. The school also hosts around 12 student teachers per year as well as organising and hosting training sessions to which teachers from other schools are invited.
- Provides use of its facilities as an examination testing centre for external pupils as well as providing administrative support in relation to processing the submissions. Around 12 external pupils benefit from this per year.
- Is involved in a number of joint initiatives with other state and independent schools whereby the Edinburgh Academy hosts events for pupils and staff such as The Scottish Schools Combined Cadet Force Pipe Band competition, a Cambridge University conference for Scottish Pupils looking to apply to Oxbridge universities, public lectures, author events.
- Provides use of its facilities for Forest School activities to a local state primary school. Organises and hosts author visits to which pupils from other schools also attend. Over the course of the last four author visits, 390 external pupils have attended.

¹ *Indicative average fees for SCIS schools analysis at September 2012, www.scis.org.uk*
(Note that comparison has been made with average fees charged by day schools).

- Employs a Youth Development Officer through its wholly owned subsidiary EA Academy Sports who teaches PE in around five local primary schools at a cost of £15,300 per annum.
- Provides free use of classroom and theatre facilities to The City of Edinburgh Council Adult Education Department for Lifelong Learning. The Council runs 3 eight week courses a year at the School

It is clear that these activities are regular, scheduled and provide benefit for little or no charge to a range and high number of beneficiaries. These types of activities have a significant impact and 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 4.8% of its available gross income on means-tested bursary provision in 2012-13. In total, 64 pupils, or 7% of the school's roll (excluding the nursery pupils), were in receipt of a means-tested bursary award from the school. The bursaries awarded by the school were of varying values, with the main focus being on higher-value bursaries of 60% and more and the highest number of awards being in the 100% bracket. In the year reviewed 17 pupil, or 1.9% of the school roll (again, excluding nursery pupils) were in receipt of an award of 100% fee remission.

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 4.8% of its gross income on non means-tested discounts which were awarded to 11% of the school's roll (again, excluding the nursery pupils). This type of fee remission included scholarships, sibling and staff discounts.

d) Current position

Given the point in time of our review of this school, we have, in the interests of fairness and proportionality taken into consideration the facilitated access to benefit position for the 2013-14 year. This is because bursaries for this period have already been expended. The means-tested bursaries awarded as of September 2013 amount to 5.2% of the projected income for the year. There are currently 67 pupils in receipt of this type of award. As with the previous year, the awards made again have a focus on 100%

awards, with the highest number of awards being in this bracket. In total 25 pupils are in receipt of a full remission which amounts to 2.7% of the school roll for this year.

e) Conclusion

On balance, we conclude that The Edinburgh Academy 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 reaching our conclusion, we have had regard to the level and impact of the benefit for which there is little or no charge; this serves to open up access to benefit for a wide range of beneficiaries outwith the school. In particular, we consider that the provision of the Youth Development Officer and the use of classroom and other facilities for adult education are activities which provide a significant level of benefit which is not subject to a fee.

While the proportion of its income spent by the school on means-tested assistance is modest, the spread of the value of these awards is good. We have particularly noted the proportion of pupils in receipt of a full fee remission award which has the most impact on facilitating access to those on low incomes.

Cumulatively, we consider that these measures 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. The Edinburgh Academy continues to meet the charity test.

22 January 2014