

Notice of decision on individual review of charitable status SC014860 Craigholme School

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 Craigholme 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

Craigholme School's purposes as set out in clause 3 of its memorandum and articles of incorporation of are

- (a) To carry on business as providers of education and training on any subject, matter or discipline at Craigholme School 72 St Andrew's Drive, Glasgow or at such other place as the Company may determine.*
- (b) To promote education in all its branches and for that purpose to establish, provide, manage and carry on schools, academies, training and technical colleges and educational institutions of all kinds and also libraries, laboratories, halls, residences, dining and refreshment rooms, gymnasia, sports and recreation grounds, swimming baths, playing fields, pavilions and other accommodation and facilities which may be necessary for the use of teachers, students, pupils and others connected with or attending the schools of the Company.*

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 Craigholme 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

Craigholme School is an all through day school for girls aged five to 18 years. It also has a co-educational nursery for children 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 297 pupils with a further 50 nursery pupils. The school's unrestricted gross income during the year was £2,971,428; we have used this figure for the purposes of our assessment.

In 2012-13, the school's annual nursery session fees were £5,880 (full-time fee) and its annual school fees ranged from £9,145 (average junior fee) to £10,017 (average senior fee). The school's average junior fees were moderately higher than the average fees for Scottish Council of Independent Schools (SCIS) day schools in 2012- 13¹ (£1,129 higher) while the average senior fee was marginally lower (£156 lower). 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.

Craigholme School provides benefit to its pupils which is charged for. Pupils in the junior school follow a broad curriculum with specialist teachers providing classes in French, Music and PE. In the senior school pupils initially follow a broad curriculum and then are presented for SQA Standard Grade, Intermediate 2, Highers and Advanced Highers at the appropriate stage. The school offers a wide range of co-curricular activities covering the arts, music, sport as well as public speaking and young enterprise activities.

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 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:

- 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.
- Provides use of its sports complex to a large number of external sporting organisations and clubs such as badminton, dance and rugby clubs. The school additionally employs a Sports Development Co-ordinator who liaises with the groups to create sporting opportunities for the community. The use of the

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

facilities by these groups takes place regularly and benefits a large number of children.

- Hosts author visits in partnership with a bookstore to which pupils from local primary schools also attend.
- Provides use of its facilities as a presenting centre for Trinity College Music Examinations. Around 14 external pupils benefit from this per year.

In assessing the benefit offered by the school which is not charged for, we have had regard to the relatively small size of the school. While its size means that the school's resources will be limited, we have also considered the fact that Craigholme is an all through school and therefore has more opportunity to offer benefit which is not charged for than, for example, a junior school.

Although the benefit for which there is little or no charge is limited, we conclude that it is nevertheless of an acceptable level, taking into account the context in which this school operates. In particular, we have noted the regular use of the schools facilities by external groups. This type and level of activity 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 4.8% of its available gross income on means-tested bursary provision in 2012-13. In total, 29 pupils, or 9.7% 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 lower-value bursaries of 60% and less and the highest number of awards being in the 41-60% bracket. In the year reviewed 1 pupil, or 0.3% 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 1.9% of its gross income on non means-tested discounts which were awarded to 14.5% of the school's roll (again, excluding the nursery pupils). This type of fee remission included discounts for staff, Ministers, Armed Forces and advance fee payments.

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 all 50 of nursery pupils and their cumulative financial value in the 2012-13 was £63,462.50

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 5.8% of the projected income for the year. There are currently 27 pupils in receipt of this type of award. The awards made for this period are evenly spread over low and high value awards. Again, the bracket with the most number of awards is 41-60% of the fee but there has been an increase in the number of 100% awards. In total 4 pupils are in receipt of a full remission which amounts to 1.5% of the school roll. The school have also advised that one pupil in the 2013-14 year is in receipt of means-tested assistance from an external trust to the value of £2,500.

e) Conclusion

On balance, we conclude that Craigholme School 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 a Community Sports Development Coordinator and the use of sporting facilities by local children 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. Craigholme School continues to meet the charity test.

22 January 2014