

Notice of decision on individual review of charitable status SC000458 Morrison's Academy Trust Scheme

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 Morrison's Academy Trust Scheme ('Morrison's 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

Morrison's Academy's purposes as set out in its trust deed are

The advancement of education, including the provision of sports and recreational facilities, for day pupils of both genders drawn from the Strathearn area and beyond.

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 Morrison's 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

Morrison's Academy is a co-educational all through day school for boys and girls aged five to 18 years. It also has a co-educational nursery for children aged three 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 506 pupils with a further 27 nursery pupils. The school's unrestricted gross income during the year was £5,140,613; we have used this figure for the purposes of our assessment.

In 2012-13, the school's annual nursery session fees were £5,577 (full-time fee) and its annual school fees ranged from £8,022 (average junior fee) to £10,332 (senior fee). The school's average junior fees and senior fees were marginally higher than the average

fees for Scottish Council of Independent Schools (SCIS) day schools in 2012- 13¹ (£6 and £159 higher respectively). 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.

Morrison's Academy provides benefit to its pupils which is charged for. Pupils in the junior school follow the Curriculum for Excellence covering a broad range of subjects with specialist teachers providing classes in French, Music, PE and Art.

In the Senior School pupils initially continue with a broad curriculum in S1, 2, 3 & 4 but move to in-depth study of a fewer number of subjects in S5 & S6. Pupils are presented for Scottish Intermediate 1 & 2, Highers and Advanced Highers at the appropriate stages.

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.
- Annually funds the salary of a senior school teacher at a school in Malawi.
- Provides use of its facilities to Brownies, Rainbows and Guides. On request the school also provides use of its minibus and PE equipment to these groups.
- Allows staff time out to become involved in community education activities for example external Duke of Edinburgh activities, work with the Scottish Schools International Debating Council and refereeing at rugby minis tournaments.
- Provides regular use of its facilities and grounds to a number of external clubs and groups which advance education. These include local youth and community groups as well as the local Army Cadet Force who use the schools facilities on a weekly basis to conduct training and The Association for Science Education who hold an annual two day science conference at the school and also hire the schools minibuses and drivers for this event.
- The school have also provided a number of other examples of more ad-hoc or one-off uses of its facilities.

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).

- Proactively encourages debating within local schools. The school's facilities are used regularly throughout the year to provide a venue for competitions which the school organises.

Although the use of the schools facilities by external groups is regular and scheduled, there is little evidence of other direct benefit being made available to children and young people locally on a similar scale. The activities are also relatively limited for an all-through school (as opposed to a junior school). However we have had regard to the rural location of the school. 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 3.6% of its available gross income on means-tested bursary provision in 2012-13. In total, 43 pupils, or 8.5% 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 40% and less and the highest number of awards being in the 21-40% bracket. In the year reviewed 3 pupils, or 0.6% 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 5.1% of its gross income on non means-tested discounts which were awarded to 44% of the school's roll (again, excluding the nursery pupils). This type of fee remission included sibling and staff discounts, advance fee payments discounts and scholarships

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). During the assessment year the value of type of funding was £32,260. This initiative serves to facilitate access to the benefit provided by the school, albeit it is not primarily directed at those in financial need

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 5.4% of the projected income for the year. There are currently 46 pupils in receipt of this type of award. The awards made for this period again focus on low value awards of 41-60% of the fee although there has been an increase in the number of 100% awards. In total 6 pupils are in receipt of a full remission which amounts to 1.2% of the school roll.

3. Conclusion

We have been able to take into account the considerable increase in means-tested bursary provision the school is providing in the current 2013-14 academic year. For this reason, we conclude that Morrison's 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. A review solely on the basis of the school's 2012-13 means-tested bursary provision would not have been able to reach this conclusion.

While the proportion of its income spent by the school on means-tested assistance is modest, we have particularly noted the increased 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. Morrison's Academy continues to meet the charity test.

22 January 2014