

**Notice of decision on individual review of charitable status  
SC010817 Craigclowan School Ltd**

**1. Decision**

Following an inquiry under section 28 of the Charities and Trustee Investment (Scotland) Act 2005 (the 2005 Act), we confirm that Craigclowan 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**

Craigclowan School's purposes are set out in Clause Three of the Memorandum of Association (dated 17 August 1965) and 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 Craigclowan 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**

Craigclowan School is a co-educational preparatory day school for children aged five to 13 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 financial year for which complete financial information was available), it had an average school roll of 227 pupils with a further 39 nursery pupils.

On the basis of the draft accounts provided for the year ending 7 July 2012, the school's available income during the year was £2,160,603; we have used this figure for the purposes of our assessment. This sum has been calculated on the basis of the total incoming resources (£2,180,244) less the restricted funds (£19,641).

In 2011-12, the school's annual nursery session fees were £6,300 (full time) and its annual school fees were £9,975. The school fees were notably higher than the average

fees for Scottish Council of Independent Schools (SCIS) day schools in 2011-12<sup>1</sup> (£1,947 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.

Craigclowan School provides benefit to its pupils which is charged for. Children in the school follow a curriculum based around the Curriculum for Excellence and, latterly, the syllabus that is required for Common Entrance Examinations. Areas of study include English, mathematics, science, languages, history, geography, religious studies, PSE, the arts, CDT, ICT and PE. The school also offers a large number of co-curricular 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 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:

- Established a community garden, allowing children to learn about growing fruit and vegetables from the gardeners who have been allocated allotments on the site.
- Is an active member of the British Council's Comenius project initiative, part of the EU Lifelong Learning Programme. This project facilitates exchanges of staff, pupils and experiences between schools. The school has worked together with four partner state schools in Europe to exchange educational ideas by hosting children and staff in local families, visiting schools and communicating learning developments with each other.
- Has raised funds through its Eco-Committee to establish a project in Kenya, offering education and security to girls who may otherwise find themselves in early arranged marriages. The project teaches the girls money management, business management and allows them to sell their produce to generate income.
- Provides use of its facilities to various local groups including a junior hockey club and a ski class for local young people; these clubs use the facilities weekly in season, providing benefit to 40 and 80 children respectively.
- Contributes to the professional development of teachers by providing work experience to probationary teachers or those with a general interest in taking up teaching as a profession.

Although the examples of activities which provide benefit for which there is little or no charge are relatively limited, there is certainly some evidence of benefit to a reasonable level of beneficiaries.

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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 junior day schools)

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 and the fact that its resources will consequently be limited. Additionally, we are aware that the opportunities for junior schools to provide benefit which is not charged for may be more limited than for secondary or all through schools. For example, junior schools typically have fewer facilities (particularly sporting facilities) and fewer opportunities to offer educational benefit (for example, in subjects not taught by state schools) than the majority of secondary schools.

The school has also explained that the age of its pupils means that they are vulnerable and that – in line with advice from the police and the Care Inspectorate - this is a key consideration when allowing access to any of its facilities to outside groups.

Although the benefit for which there is little or no charge is relatively limited, we conclude that it is nevertheless reasonable in the context in which this particular school operates. 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 currently provides assistance to those in financial need through two main routes, those being informal and formal means testing. Prior to 2007, the school offered awards to children whose families were in financial need in an informal manner; the process involved the family meeting with the headmaster to discuss its financial situation. The headmaster thereafter made a financial offer to the family of a percentage remission of the fee. This process was stopped in 2007, however, the school states that it is under a contractual obligation to continue to honour these awards for those children still attending the school.

From 2007 onwards, the school adopted a more formalised approach to means-testing of bursary provision and plans to entirely phase out informal awards in the near future; by 2014-15, there will only be one child left at the school in receipt of this type of informal award. As it is clear that the aim of the original informal process was to assist families with a financial need, we accept these awards as being an informal way of providing means tested support and therefore have taken account of them as such in our assessment.

In total, the school spent a moderate sum in 2011-12 on informal and formal means-tested bursary provision; this amounted to 6.8% of its gross income. In total, 32 pupils, or 14.1% of the school's roll (excluding the nursery pupils), were in receipt of a means-tested bursary award from the school which is a significant proportion. 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. Although means-tested bursaries offered by the school are available up to 95% of fee remission, in the year reviewed no pupils were in receipt of an award in excess of 80% fee remission. The school has advised that one pupil was in receipt of means-tested assistance from an external trust in 2011-12 equating to 15% fee remission (£1,500).

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 9.5% of its gross income on non means-tested discounts which were awarded to 31.7% of the school's roll (again, excluding the nursery pupils). This type of fee remission included sibling discounts and staff discounts (including reciprocal staff discount arrangements with other schools).

Further, the school has also confirmed that the local authority provided a grant to all of its nursery age children in 2011-12 through its partnership arrangement. This arrangement sees children who are eligible on the basis of age receiving part of their nursery fee from the local authority (up to a maximum of five sessions per week). 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) Conclusion**

On balance, we conclude that Craigclowan 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 particular regard to the proportion of its income the school spends on means-tested bursary support and the number of children in receipt of such assistance. Although we note that the school dedicates more of its income to non means-tested support (which has less impact on opening up access to benefit), the means-tested assistance provided to those who are in financial need is nevertheless of a level which has a notable impact on mitigating the fees charged.

Additionally, the provision of benefit for which there is little or no charge further mitigates the impact of the fees charged. While this type of activity is relatively limited, it impacts positively on a number and range of beneficiaries and is reasonable in the context in which this particular school operates (taking into account its size and vulnerability of its beneficiaries).

Cumulatively, these arrangements reduce and thereby 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. Craigclowan School continues to meet the charity test.

10 January 2013