

## **Notice of decision on individual review of charitable status SC007157 Moray Steiner School Ltd**

### **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 Moray Steiner School Ltd (Moray Steiner 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**

Moray Steiner School's purposes are set out in Clause 3 of the Memorandum and Articles of Association (dated 19 July 1989) are:

'...To advance the educational and social ideas and ideals of Dr. Rudolph Steiner 1861 – 1925, the Austrian Philosopher and educator, founder of the international Waldorf School Movement.'

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 Moray Steiner 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**

Moray Steiner School is an all through, co-educational day school for pupils aged six to 15 years. Pupils aged 6 to 12 are enrolled in the Lower School and pupils aged 12 to 15 are enrolled in the Middle School. It also has a pre-school (Kindergarten) for boys and girls aged three to six 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 a school roll of 73 pupils with a further 12 pre-school pupils. The school's unrestricted gross income during the year was £316,974; we have used this figure for the purposes of our assessment.

In 2011-12, the school's annual pre-school fees were £3,175 and its annual school fees ranged from £4,085 (average Lower School fee) to £4,500 (Middle School fee). The school's junior and senior fees were considerably lower than the average fees for

Scottish Council of Independent Schools (SCIS) day schools in 2011-12<sup>1</sup> (£3,343 and £5,454 lower respectively). Nevertheless, these fees still represent a restrictive condition on accessing the benefit provided by the school. In order for public benefit to be provided, there must therefore be some form of mitigation of these fees in place.

Moray Steiner School provides benefit to its pupils which is charged for. In terms of educational benefit, the preschool offers a play and activity-based kindergarten. In the junior and senior school, pupils follow a core 'main lesson' programme for up to two hours each day taught by the class teacher. Main lesson subjects include Farming, Ancient Greece and Chemistry. These lessons are introduced at specific ages and provide a context for learning key skills in reading, writing, science and maths. In addition to the main lesson children also receive tuition in languages, painting, pottery and physical education. Pupils in the Middle school are taught by specialist and subject teachers in addition to their class teacher in subjects such as Physics, Geography, Debating and History.

#### **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:

- Permits a number of groups to use its facilities for nominal cost, these include a Bushcraft group which run classes for up to 15 children from the local community over the Summer and Autumn months, a community choir of around 15 members who meet once a fortnight.
- Encourages and supports staff to become involved in outside projects. Two staff members are actively involved with the Steiner Waldorf Schools Fellowship and another is occasionally released to assist with lectures to adult students at a local college.

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.

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 particular school operates (particularly the size of the school and the comparatively low level of its fees). 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.

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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)

### **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 means-tested assistance includes bursaries and Deferred Fee Payment Arrangements (DFPA). The DFPA are indefinite and informal loan arrangements whereby the sums advanced are only repaid at some point in the future if the family is able to do so. Under the terms of the loan, the school impose a moral obligation only on families to repay, no interest is charged the school apply no pressure on the family to make repayments. The school also advise that due to the informality of the loans, the sums advanced are written-off annually within the accounts.

Formal loan arrangements which include definite repayment schedules and interest charges are unlikely to provide effective access to those who require assistance. However, given the nature of the DFPA, we consider that payments made under it are effectively a form of bursary and have therefore included these within our calculations of means-tested assistance awarded by the school. During 2011-12 six pupils received a combination of bursary and DFPA awards, three received a bursary only and one received a DFPA award only. The means-tested awards issued by the school were of varying values, with the main focus being on awards of 40% and less and the highest number of awards being in the 21-40% bracket.

The school spent 4.7% of its unrestricted gross income on means-tested assistance in 2011-12. In total, 10 pupils, or 13.7% of the school's roll (excluding the nursery pupils), were in receipt of means-tested assistance from the school.

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 12.7% of its unrestricted gross income on non means-tested discounts which were awarded to 37% of the school's roll (again, excluding the nursery pupils). This type of fee remissions was in the form of staff and sibling discounts. Of the 12.7% of non mean-tested assistance, 3.9% was sibling discount and 7.4% was staff discount.

### **d) Conclusion**

On balance, we conclude that Moray Steiner 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 limited benefit for which there is little or no charge.

In reaching our conclusion, we have had particular regard to the fact that the fees charged by the school are considerably lower than the sector average. While the school's expenditure on means-tested assistance is comparatively lower than other schools we have reviewed, we have particularly considered the principle that lower fees will require proportionately lower levels of mitigation to ensure that access to benefit is not unduly restricted.

Additionally, we note that the benefit provided by the school for which there is little or no charge is relatively limited. However, we are of the view that this activity is of a reasonable level given the context in which the school operates; the relatively small size of the school means that its resources will consequently be limited.

On balance, we conclude that these measures cumulatively 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. Moray Steiner School continues to meet the charity test.