

Notice of decision on individual review of charitable status SC008392 Albyn School Limited

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 Albyn School Limited (Albyn 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

Albyn School's purposes as currently set out in Clause Three of the Memorandum and Articles of Association (adopted by Special Resolution on 25 January 2011) are:

'... the carrying on of one or more scholastic institutions in the North East of Scotland for the purpose of the advancement of education, and the doing of all such other things as are incidental or conducive to the attainment of that object'

We are satisfied that:

- both the existing and the proposed new 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 Albyn 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

Albyn School is an all-through, co-educational day school for pupils aged five to 18 years. It also has a nursery for boys and girls aged two to four 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 643 pupils with a further 120 nursery pupils. The school's gross unrestricted income during the year was £6,961,019; we have used this figure for the purposes of our assessment.

In 2012-13, the school's annual nursery fees were £5,853 (full-time) and its annual school fees ranged from £8,470 (average primary day fee) to £10,610 (senior day fee). The school's average junior and senior day fees were marginally higher than the

average fees for Scottish Council of Independent Schools (SCIS) day schools in 2012-13¹ (£454 and £437 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.

Albyn School provides benefit to its pupils which is charged for. In terms of educational benefit, pupils in the junior school follow a curriculum that is shaped by the Curriculum for Excellence and are mostly taught by their Form teachers, with specialist staff from the Upper School delivering subjects such as Art & Design, French, Spanish, Music and PE. Pupils in the senior school work towards Scottish qualifications taught by specialist teachers and are presented for Standard Grade, Intermediate 1 & 2, Highers and Advanced Highers at the appropriate stage. Some pupils also study for Open University modules.

The school also offers and encourages pupils to become involved in a range of co-curricular and extra-curricular activities in areas such as sport and the arts, the Duke of Edinburgh scheme, Amnesty International and the Young Philanthropy Initiative.

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:

- Provides weekly access to its sports field and gym to a number of groups including a local primary school and youth football and rugby teams. This involves around 200 children per week.
- Provides annual access to its facilities to a Soccer Camp who use the sports fields throughout the summer holidays and involves around 100 children.
- Loans sports equipment to a number of local primary schools and sports every weekend of the school year.
- Provides staff resources for educational improvement. Three are currently involved in development work and nine participate in marking national examination papers.
- Allows six external, home-tutored pupils to sit public examinations at the school.
- Offers participation in the Duke of Edinburgh for young people who are not Albyn pupils.
- Hosts external events such a series of chess tournaments for pupils across the North East of Scotland. There are typically three such tournaments per year with around 100 children participating. The school also organised a cross-country

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

meeting along with another independent school to which 1,200 competitors from primary and secondary state schools attended.

It is clear that these activities are regular, scheduled and provide benefit for little or no charge to a wide 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.

In 2012-13 the school spent 1.6% of its gross income on means-tested bursary provision; this is one of the lowest proportions of income spent on such provision which we have seen among the independent school charities reviewed so far. In total, 16 pupils, or 2.4% of the main school 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 bursaries of 100%. The highest number of awards made were in the 100% bracket with 8 pupils (1.2% of the school's roll) receiving these awards.

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 4.9% of its gross income on non means-tested discounts which were awarded to 57% of the school's roll (again, excluding the nursery pupils). This type of fee remission was in the form of early settlement, sibling and staff discounts.

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 fifteen hours per week). During 2012-13 80 children benefited from this to a total of £115,298.

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 5.1% of the projected income for the year. There are currently 40 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 31 pupils are in receipt of a full remission which amounts to 4.5% of the school roll.

e) Conclusion

Because of the timing of our review of Albyn School, (that is, at the beginning of a new academic year), 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 Albyn 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. 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 means-tested assistance provided by the school in 2012/13 was very low, the school increased the bursary fund and advertised widely in order to improve on this. Subsequently they have been able to substantially improve their expenditure and numbers of pupils in receipt of this type of assistance. We have had particular regard to this level of expenditure and the significant number of children who are now in receipt of high value bursaries which have the greatest impact on facilitating access to benefit for those on low incomes.

In coming to our decision, we have also had regard to the level and impact of the benefit for which there is little or no charge; whilst much of the benefit is of medium impact, we consider the quantity of these additionally serves to open up access to benefit for a range of beneficiaries outwith the school.

We therefore do not consider that there are any unduly restrictive conditions on accessing the benefit provided by the school, and sufficient public benefit is provided. Albyn School continues to meet the charity test.

1 October 2013