

Notice of decision on individual review of charitable status SC006206 Christian Schools (Scotland) 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 Christian Schools (Scotland) Ltd (Hamilton College) 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

Hamilton College's purposes as set out in Clause 2.1 of its Memorandum of Association (as adopted on 24 May 2010) are:

- (i) the advancement of education by the establishment and operation of an independent school or schools in Scotland for pupils from the age of 3 to 18 and to provide means-tested fee assistance (of up to 100% from age 8 to age 18) to provide a hardship fund to assist pupils and families encountering financial difficulties, to create educational links with schools in Third World countries and to raise funds for the provision of education for young people in such Third World countries, to seek to serve the community and make the facilities of the school or schools available to the community at not-for-profit rates and to provide not-for-profit Aftercare facilities for working parents;
- (ii) to advance the Christian faith by the active promotion in the independent school or schools to be established by the Company of a knowledge of the Christian faith through assemblies, Religious Education and class time, by the provision of reduction in fees for the children of full-time Christian workers including, without prejudice to the foregoing generality, the children of Ministers, Pastors and Missionaries and by the provision of facilities to churches and Christian organisations at not-for-profit rates.

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 Hamilton College 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

Hamilton College is an all-through, co-educational Christian day school for girls and boys aged five to 18 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 599 pupils with a further 35 nursery pupils. The school's gross unrestricted income during the year was £4,802,979; we have used this figure for the purposes of our assessment.

In 2011-12, the school's annual nursery session fees were £4,950 (full-time) and its annual school fees ranged from £6,589 (average junior day fee) to £8,574 (senior day fee). The school's average junior and senior day fees were notably lower than the average fees for Scottish Council of Independent Schools (SCIS) day schools in 2011-12¹ (£1,439 and £1,380 lower for average junior and senior fees respectively). Nevertheless, 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.

Hamilton College provides benefit to its pupils which is charged for. In terms of educational benefit, the nursery follows the Curriculum for Excellence - Early Stage. Pupils in the junior school follow a broad curriculum with specialist subjects such as art, music, P.E, and French taught to them by specialist teachers. Pupils in the senior school work towards qualifications at National 5, Highers and Advanced Higher level, with specialist tuition in all subjects studied. In addition, there are a range of co-curricular activities available to junior and senior pupils covering sports and the arts as well as the Duke of Edinburgh and Young Enterprise Programmes.

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 regular access to its facilities (including its sports facilities and hall) to many different clubs. These are too numerous to list: around 17 examples were given but cover a wide variety of groups whose aims include the advancement of education and the advancement of religion. These clubs benefit very large numbers of children and adults on a regular and scheduled basis.
- Makes provision for pupils from local state schools to study for and sit Advanced Higher French at the School. This subject is no longer offered by state schools in

¹ *Indicative average fees for SCIS schools analysis at August 2011, www.scis.org.uk*
Note that comparison has been made with fees charged by day schools.

South Lanarkshire. This is a regular, ongoing activity with two to five external pupils being accommodated in most years.

- Hosts a Chess Tournament for primary school pupils. This takes place three times a year with around 150 pupils from 15 schools in South Lanarkshire.
- Contributes to national educational improvement and development by allowing staff to participate in educational forums, marking and setting national examination papers and hosting placements for student teachers and work experience candidates.
- Encourages pupils to take part in community and fundraising activity which supports the local and national voluntary and charity sector.

It is clear that these activities are regular, scheduled and provide benefit to a high number of children for little or no fee. These types of activities 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 6.5% of its gross income on means-tested bursary provision in 2011-12. In total, 61 pupils, or 10.2% of the school's average 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 41% and more and the highest number of awards being in the 41-60% and 100% bracket.

Means-tested bursaries offered by the school are available up to 100% of fee remission and are awarded solely on the basis of financial need. In the year reviewed (2011-12), 16 pupils (2.8% of the school's roll) were in receipt of a 100% award. The school also advised us that one pupil in receipt of a 50% remission from the school additionally received a means tested grant of £2,500 from an external trust.

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 3.6% of its gross income on non means-tested discounts which were awarded to 24.4% of the school's average roll (again, excluding the nursery pupils). This type of fee remission included advance payment discounts, discounts for full-time Christian workers as well as 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. These grants have been awarded to 36 pupils and their cumulative financial value in the 2011-12 school year was £39,728. 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 Hamilton College 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 frequent use of the school's facilities by external groups and the tuition of two to five external pupils in Advanced Higher subjects are activities which provide a substantial level of benefit which is not subject to a fee.

Additionally, while the proportion of its income spent by the school on means-tested assistance is moderate, the spread of the value of these awards is good with the main focus being on higher-value remissions. These types of remissions have more impact on facilitating access to benefit for 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. Hamilton College continues to meet the charity test.

1 October 2013