

## **Notice of decision on individual review of charitable status SC020370 Compass School**

### **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 Compass 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**

Compass School's purposes as set out in Clause 2 of the Articles of Association (adopted by special resolution on 2 May 2012) are:

'.....to acquire, purchase, erect, lease, maintain, manage, develop and carry on in Scotland, or elsewhere in the United Kingdom, schools for boys and girls and to promote education generally and in particular the education of boys and girls.'

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 Compass 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**

Compass School is a co-educational junior day school for children aged four to 12 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 an average school roll of 118 pupils. The school's gross income during the year is projected to be £1,005,308; we have used this figure for the purposes of our assessment.

In 2012-13, the school's annual nursery session fees were £6,537 (full time) and its average annual school fees were £8,200. The school fees were marginally higher than the average fees for Scottish Council of Independent Schools (SCIS) junior day schools

in 2012-13<sup>1</sup> (£172 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.

Compass School provides benefit to its pupils which is charged for. In terms of educational benefit, children in the school follow a wide-ranging curriculum including English language, mathematics music, drama and art. Science, history, geography, Spanish and Latin are taught as specialist subjects from Primary Five. Pupils also take part in outward bound courses throughout the UK and have the opportunity to participate in a number of extra-curricular clubs and activities including art, climbing and surfing.

#### **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:

- organises and hosts some sporting events involving pupils from other schools. These include a swimming gala, and a hockey festival, amongst others. Combined, these particular events benefited around 280 children from outwith the school.
- Funds two pupils places at a school in Ethiopia through fundraising activities organised by pupils, this has been an ongoing activity since 2011/12 with plans to continue it in the future.
- Provides student teacher placements at the school as well as encouraging work experience visits by local secondary school pupils considering a career in education or child care, typically, the school will host two student teacher placements and three work experience placements per year.
- Allows external sports and drama groups to use the school's facilities during the summer holidays, for a minimal charge. In the current year three such groups are doing so, cumulatively benefiting around 70 children.
- Provides stage lighting resources to a local church annually at Christmas and to a local school on an ad-hoc basis, as and when they put on productions.
- Assisted a local authority school by supporting their drama production through the provision of staffing resources.

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

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<sup>1</sup> *Indicative average fees for SCIS schools analysis at September 2012, [www.scis.org.uk](http://www.scis.org.uk)*  
(Note: comparison has been made with average day fees charged by day schools)

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 they therefore restrict access to the school's facilities and resources during the school week for external groups and individuals.

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 outlined above, 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 5.2% of its gross income in 2012-13 on means-tested bursary provision. In total, 13 pupils, or 11% of the school's roll, 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 60% and less and the highest number of awards being in the 21-40% bracket. The school offers three different types of means-tested bursaries:

- the Somnerfield Award, available only to new applicants to the school from East Lothian;
- bursaries, available only to new applicants to the school residing anywhere; and
- change of circumstances awards, available to existing pupils where financial circumstances have changed

The Somnerfield award and bursaries, were until very recently, advertised as being available up to 50% of the fee only. However, the school advises that they can and, do extend this to 100% and have therefore updated their website to reflect this. During the year of review two pupils (or 1.7% of the school roll) received change in circumstance awards, each to the value of 100% of the fee.

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 3.7% of its gross income on non means-tested discounts. These were awarded to 25% of the school's roll (again, excluding the nursery pupils). This type of fee remission was in the form of sibling, staff and early payment 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. The cumulative financial value

of these grants in the 2012-13 school year was £28,255. 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 Compass 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.

Although the level of expenditure on means-tested assistance is lower than some of the other schools reviewed, we conclude that, in the context of the fees, we consider that the school has made reasonable provision for means-tested assistance from its income. We have also had particular regard to the moves made by the school to clarify the level of means-tested assistance available to potential beneficiaries.

Additionally while 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 (particularly the size of the school and vulnerability of its beneficiaries).

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. Compass School continues to meet the charity test.

1 October 2013