

Pangbourne College Ltd
A public benefit assessment report by the Charity Commission



The Charity Commission

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More information about the Commission together with a range of guidance for charities can be found on our website www.charitycommission.gov.uk, or by contacting Charity Commission Direct:

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The Charity Commission is the independent regulator of charities in England and Wales. In October 2008 we started a public benefit assessment in relation to Pangbourne College Ltd. This is a report of our findings.

Section A: The purpose of this report

This report sets out the Charity Commission's findings from its public benefit assessment for Pangbourne College Ltd ('the charity'), registered charity number 309096. You can find further information about what public benefit assessments are, how we carry them out, a glossary of terms and other details on the public benefit pages of our website.

Section B: Key details about the charity

Charity registration details

The college has operated since 1917. It was founded as the Nautical College, Pangbourne by the shipping company Devitt and Moore and operated on a commercial basis to provide an education and train young men for service as officers in the Merchant Navy. The company was reconstituted as a charity in 1963, when the governing document was recast as regulating Pangbourne College Limited. The college has retained the naval ceremonial traditions but does not have a specific Merchant Navy focus.

Location and operation

The charity operates Pangbourne College in Berkshire and provides an education for day pupils and boarders.

Pupils

The college has 408 pupils on its roll aged 11 - 18. There are 233 boarders and 175 day pupils.

Admissions policy

The college's admissions policy involves meeting certain academic requirements. For entry in the junior years, applicants sit the common entrance exam. Entry to the sixth form is dependent on meeting the college's minimum requirements for GCSE passes. The college has a learning support department through which additional support can be accessed as necessary and currently 80 pupils benefit from this.

Curriculum

The college educates children through to GCSE and A level and provides access to a wide range of qualifications including vocational and skills based courses.

80 pupils benefit from specialist learning support.

Yearly fees (2008/09)

Day school fees range from;

- £12,753 (Forms 1 and 2 (Juniors)) to
- £17,460 (Form 3 to Upper Sixth)

Boarding school fees range from:

- £18,129 (Forms 1 and 2 (Juniors)) to
- £24,951 (Form 3 to Upper Sixth)

Opportunities to benefit for those unable to afford the fees

Means-tested assistance (more details are in Annex A, section 1)

Bursary and hardship awards

- Advertised value of bursaries: up to 100% of fees
- Tenure of awards: for duration of education
- Number of current bursaries and hardship awards: 98 (24% of pupils)
- Number of 100% bursaries currently awarded: 2 (<1% of pupils)
- Total value of bursaries and hardship awards in 2008/09: £722,861
- Value of means-tested bursaries and hardship awards in 2008/09 as percentage of gross fee income in 2007/08: 9.7%

Non means-tested assistance (Annex A, section 2)

- ***Continuity of Education Allowance:*** qualifying armed forces families pay 10% of boarding fees as a result of a Ministry Of Defence grant and 25% fee reduction by the charity.
 - Value of assistance by the charity: £101,896 (1.4% gross fee income 2007/08)
 - Number of pupils helped: 19 (4.7% of pupils)
- ***Scholarships:*** between 5 – 50% discount on fees
 - Value of assistance: £351,033 (4.7% gross fee income 2007/08)
 - Number of scholarship awards: 83 (20% of pupils)

Other opportunities to benefit provided by the charity (Annex A, section 3)

The opportunities provided fall within the following categories:

- hosting events with other schools;
- use of facilities by state and independent schools and groups for young people.

Financial position: year ending 31 August 2008

	Unrestricted Funds	Restricted Funds	Share capital	Total
Income	£6,572,259	£378,191	n/a	£6,950,450
Expenditure	£7,043,582	£152,622	n/a	£7,196,204
Net incoming/ (outgoing) resources	£(499,653)	£253,899	n/a	£(245,754)
Total net assets	£4,288,837	£253,899	£2,500	£4,545,236

Section C: Is the charity's aim capable of being charitable?

In this section, we report on the charity's aim and whether it fits within the list of descriptions of purposes within section 2 (2) of the Charities Act 2006 that are capable of being charitable purposes.

The charity's current objects* were adopted in March 2007. They are as follows:

"To advance education for the public benefit, including (but not limited to) the provision and maintenance at the premises known as Pangbourne College, Pangbourne, Berkshire or elsewhere of a boarding and/or day school or schools for the education of children or young persons of either sex or both sexes."

The charity's principal aim is to provide a college for the advancement of education and our assessment found that the charity's operation was fully within this aim.

We concluded that the charity's aim does fall within s2(2)(b) of the descriptions of purposes in the Charities Act 2006 - the advancement of education - and is capable of being charitable, subject to meeting the public benefit requirement.

* set out in the memorandum and articles of association incorporated 4 November 1931 as amended

Section D: Is the charity's aim for the public benefit?

To meet the public benefit requirement, the organisation must meet the two public benefit principles. These are:

Principle 1: There must be an identifiable benefit or benefits

Principle 2: Benefit must be to the public, or section of the public

We looked at the sub-principles within each of these.

- Sections D1 and D2 set out our findings for those relating to principle 1.
- Section D3 – D6 set out our findings for those relating to principle 2.
- Section D7 sets out our conclusions on whether the organisation meets the public benefit requirement.

Section D1

We looked at the first two sub-principles together:

- **sub-principle 1a - it must be clear what the benefits are**
- **sub-principle 1b - the benefits must be related to the aims**

Relevant benefits

The charity's primary benefit is the provision of education to the pupils at the college ('pupils'). Beyond the curriculum offered by the college, benefits to the pupils also flow from the following examples of activities which the charity described during the assessment:

- Fundraising activities carried out by the pupils for other schools including the Bahari Girls Secondary School, Kenya with which the college has developed links; and
- World Challenge Expeditions such as in Malawi 2008 where pupils helped build two new classrooms at a primary school.

In addition, educational benefits for pupils and other children arise from the following examples given by the charity and which are described in more detail in section 3 of Annex A:

- Local primary and preparatory schools attend Leadership Days on the college's Ropes Course.
- Hosting of an orienteering programme for local primary schools.
- The College's music staff conduct an annual Orchestral Fun Day which is open to children from primary and preparatory schools.

These benefits all relate to the aim and are relevant to these sub-principles.

Benefits which are not relevant

There were some benefits which were identified by the charity but which were not relevant to the aim – see section 4 of Annex A.

We concluded that the clear benefits that are related to the charity's aims are primarily those that arise for the pupils at the college and, in addition but secondary to that, to other children who are not pupils at the college. The benefits are sufficient to enable us to conclude that the charity does meet sub-principles 1a and 1b.

Section D2

Sub-principle 1c: Benefits must be balanced against any detriment or harm

We explain in *Charities and Public Benefit* our approach to assessing this sub-principle.

Based on this, we found no evidence or indication of detriment or harm in relation to this charity.

We concluded that there was nothing under sub-principle 1c that would affect the assessment of public benefit in this case.

Section D3

Sub-principle 2a: The beneficiaries must be appropriate to the aims

The beneficiaries are children. Although the aim does not specify an age range, in practice children at the college are aged 11 - 18. The pupils at the college are primarily the beneficiaries of the charity, but beneficiaries also include other children who are not pupils at the college but who have the opportunity to benefit from educational activities undertaken at, or by, the college.

We concluded that the beneficiaries are appropriate to the aim and that this sub-principle is met.

Section D4

Sub-principle 2b: Where benefit is to a section of the public, the opportunity to benefit must not be unreasonably restricted

In this section we consider geographical and other restrictions. In section D5 we consider restrictions arising as a result of the fees charged.

Geographical restrictions

There is no express geographical restriction in the stated objects applied to the opportunity to benefit. In practice there is no geographical restriction although day pupils will be drawn from the local area.

Age restrictions

There are no age restrictions specified in the stated objects, but currently, in practice, the opportunity to benefit is limited to children aged between 11 - 18, which is the age range catered for at the college.

Academic restrictions

The focus of the college is academic and pupils need to satisfy the academic requirements for entry to the college.

Religious restrictions

The governing document does not contain any religious restrictions on who may be admitted.

These restrictions on who has the opportunity to benefit are rational and justifiable and **we concluded that** the opportunity to benefit is not unreasonably restricted by geographical or other factors outlined above and that the charity does meet sub-principle 2b in relation to restrictions other than fees.

Section D5

We considered the following related sub-principles together:

- **sub-principle 2b (the opportunity to benefit must not be unreasonably restricted by ability to pay any fees charged); and**
- **sub-principle 2c (people in poverty must not be excluded from the opportunity to benefit).**

Taken together, these sub-principles mean that the charity must be able to show that there is sufficient opportunity to benefit in a material way that is related to the charity's aims for those who cannot afford the fees, including those in poverty.

We describe in section C of *Public Benefit and Fee-charging* the principal factors derived from case law which we use to assess this.

We set out below how these factors apply to the circumstances of the college.

D5(i) *Does the level at which fees are set have the effect of preventing people who are unable to pay the fees from benefiting from the services or facilities?*

The charity primarily carries out its aim by providing a school. Its fees are detailed in section B. Day fees range from £12,753 to £17,460 and boarding fees from £18,129 to £24,951 a year. The charity advised us that the college fees are set at this level so as to ensure that all operating costs (including those associated with bursaries and other fee reductions) are covered, and that the current level of debt incurred to upgrade facilities is serviced.

The level of fees charged fits within the definition of 'high fees' in our guidance on *Public Benefit and Fee-charging* because they are unaffordable to many people.

D5(ii) *In relation to those who cannot afford to access the services because of the charges made, to what extent are those charges moderated (in whole or in part) in order to:*

- *permit access to the services charged for*
- *give other access to the benefits of the charity?*

The charity provides a mix of opportunities in relation to this sub-principle. We therefore looked at the totality of benefits provided by these, which include:

- means-tested fee reductions to provide access to the education at the college which those paying fees receive;
- non means-tested fee reductions to provide access to the education at the college which those paying fees receive; and
- other measures to provide access to some of the benefits provided by the college.

The charity provided details of opportunities which fall within each of these categories and we have set these out at Annex A. In the following paragraphs we explain how we looked at these categories.

- Around 24% of pupils currently receive some sort of means-tested support. The support is worth 9.7% of gross fee income and this is budgeted for. The charity publicises the fact that means-tested bursaries worth up to 100% of the fees are available. There are currently two pupils who are fully funded in this way and in these cases support includes assistance with uniforms if necessary. The following table shows the number and value of bursaries awarded:

Value of bursaries (% of fee reduction)				
	0– 50%	50 – 75%	75 – 90%	100%
Number of bursaries awarded	76	12	8	2

Entry to the college is based first and foremost on suitability rather than on the ability to pay fees – where assistance is sought, this is settled after a place has been offered. Where a scholarship is awarded, the level of assistance may be added to by bursary support.

The charity makes some hardship awards from the bursary fund but this is subject to the availability of funding following other awards.

- There are a number of measures which are not means-tested but which give access to education at the college. These have less impact than measures designed specifically to assist people in poverty. Of these, the Continuity of Education Allowance (CEA) and the funding offered by the college to those supported by the MOD through this scheme potentially, and in practice, provides opportunities to benefit for those unable to afford the fees (principle 2b).
- Most of the measures described in Section 3 of Annex A provide some opportunity to benefit and add to the totality of benefits offered. The annual Orchestral Fun Day provided by the college for pupils from local state and preparatory schools is an example of a benefit related to the aim which is open to those who could not afford the fees. The college also hosts an orienteering programme provided for local state schools; this too provides benefits related to the charity's aim which are open to those who could not afford the fees. The college also provides benefits to other independent schools but, in general terms, the extent to which this contributes to these sub-principles is likely to be very limited.

Sub-principles 2b and 2c - conclusion

The charity charges high fees which require some mitigation in order to show that the opportunity to benefit is not unreasonably restricted. We took into account the very high fees charged, the size and circumstances of the college and the steps it has taken to provide opportunities to benefit in a material way that are related to the charity's aims for those who cannot afford the fees. We also took account of the fact that total assistance (means-tested and untested) amounts to some £1.3m.

The totality of benefits arising from:

- the provision of assistance through means-tested bursaries from fee income which supports 24% of pupils and is the equivalent of 9.7% of the gross fee income in the latest accounts;
- the availability and award of 100% bursaries;
- the levels of assistance provided to support places for children of armed forces families, a number of whom could not otherwise afford the fees;
- links with local state schools resulting in educational benefits,

are together sufficiently extensive and provide some opportunities for people in poverty to benefit.

We concluded that, taking into account what is reasonable and appropriate in the circumstances of this charity, it does provide sufficient opportunity to benefit in a material way for those who cannot afford the fees, including people in poverty, and that the charity does meet sub-principles 2b (in relation to fees) and 2c.

Section D6

Principle 2d: Any private benefits must be incidental

The charity provides a discount of fees for staff who choose to educate their children at the college. This is a part of the employment terms offered to staff on appointment.

We concluded that private benefits are incidental and that this sub-principle is met.

Section D7

Conclusion: Is the public benefit requirement met?

We concluded that all of the sub-principles are fulfilled and that the public benefit requirement is met.

Section E: Overall conclusions and required or recommended actions

We concluded that Pangbourne College Ltd is a charity and is operating for the public benefit.

There are, however, some steps the governors should take in order to demonstrate that they are meeting key good practice requirements in our public benefit guidance.

The good practice recommendations are as follows:

- the governors should publicise more clearly details of means-tested awards, the extent of the discount available and what types of assistance are available;
- the governors should review the scope for extending the impact of the bursary programme by increasing the relative number of higher percentage awards;
- the trustees should keep under review the extent to which the opportunities to benefit are taken up by people who are unable to afford the fees, including people in poverty.

PANGBOURNE COLLEGE LTD

OPPORTUNITIES TO BENEFIT FOR THOSE WHO ARE UNABLE TO AFFORD THE FEES, INCLUDING PEOPLE IN POVERTY

This annex uses information provided by the charity to show which activities we assessed in relation to the element of sub-principle 2b relating to fee-charging and sub-principle 2c:

- **Principle 2b** Where benefit is to a section of the public, the opportunity to benefit must not be unreasonably restricted by ability to pay any fees charged
- **Principle 2c** People in poverty must not be excluded from the opportunity to benefit

We have categorised the information as follows:

- means-tested opportunities which provide access to an education at the college to children whose families are unable to afford the fees, including those in poverty (see section 1 below);
- non means-tested opportunities which may provide access to an education at the college to children whose families are unable to afford the fees, including those in poverty (see section 2 below);
- measures which provide opportunities to benefit in ways related to the aim for other children whose families may not be able to afford the fees including those in poverty (see section 3 below).

At section 4, we have listed examples of activities and opportunities identified by the charity but which are not related to the charity's aim.

The main body of the public benefit assessment report sets out our analysis of how these opportunities relate to the public benefit requirement.

Section 1

Means-tested opportunities which provide access to an education at the college to children whose families are unable to afford the fees, including those in poverty

- **Means-tested bursaries for prospective pupils**

The charity offers means-tested bursaries which are generally worth between 10 – 100% of fees. In the case of full bursaries, the charity covers extra costs associated with uniform and, if necessary, educational trips.

The availability of bursaries and how to apply for them is publicised on the charity's website where the availability of 100% bursaries is explicitly stated. Bursaries are also advertised through the local and (annually) the national press and direct contact is made with local state and independent schools.

All pupils entering the college are subject to an assessment of learning profile involving their academic fit with the college and the extent to which any learning difficulties can be supported by the college. The pupils are interviewed and previous school reports are also considered. Ability to pay is not a consideration until these stages have been fulfilled. The assessment of financial circumstances is undertaken by a Bursary Committee and includes an assessment of both income and capital.

Subject to the budgetary constraints for the bursary scheme, the charity provides means-tested assistance with fees for cases of sudden, unforeseen need experienced by families of existing pupils. Applications are considered as and when they arise.

The charity also makes bursary awards to enable children who have won scholarships to attend.

The charity works with Headmasters' and Headmistresses' Conference Projects (HMC Projects) which organises a scholarship examination for children from Eastern European countries. Currently, one place a year is available at the College for a child who is successful in these exams and the charity fully funds this place.

At the time of the assessment, the charity's bursary support:

- was worth 9.7% of gross fee income (8.7% of gross income);
- supported 98 pupils (24% of the school roll);
- was available to support to new entrants and existing pupils whose families experienced difficulties in affording the fees;
- was funded from the charity's income;
- provided fee reductions of between 10% - 100%.

Section 2

Non means-tested opportunities which may provide access to an education at the college to children whose families are unable to afford the fees, including those in poverty

- **Continuity of Education Allowance for children of armed forces families – not means-tested but available to all ranks**

In 2007/08 19 pupils (4.6%) were funded through the Continuity of Education Allowance (CEA).

Where families qualify for CEA, the charity reduces fees by 25% on a non means-tested basis. This means that the families' contribution amounts to 10% of the total fees, which qualifying families are required to pay under the CEA scheme. A number of families who are helped could not otherwise afford the fees.

The value of the charity's support was £101,896 (1.4% of gross fee income).

- **Non means-tested scholarships**

Whilst some scholarships are only taken up where they are supplemented by further bursary support (see above), others are not. Scholarships are awarded after open competition at the point of entry to the college or, for pupils already at the college, at key points of transition: from Form 2 into Form 3 and from Form 5 into the Lower Sixth. Scholarships range in value from 5% to 40%.

Section 3

Measures which provide opportunities to benefit in ways related to the aims for other children whose families may not be able to afford the fees including those in poverty

- **Hosting events with other schools**

- Local primary schools and preparatory schools are invited each year to send pupils to attend one of the college's Leadership Days on their Ropes Course.
- The college music staff conduct an annual Orchestral Fun Day which provides an opportunity for about 100 children from local primary and preparatory schools.
- The Boat Club organises and hosts the largest sculling event for junior oarsmen and oarswomen in the country. Over 400 boats from 35 schools and rowing clubs take part.
- The college will be hosting the Berkshire Orienteering Championships in 2009.

- **Use of facilities by state and independent schools and groups for young people**

- The college hall is used for productions and college pitches are used by local the voluntary aided school.
- Berkshire RFU use college pitches for squad training purposes, trial matches and county fixtures at all age groups including U16 and U20.
- Pangbourne Cricket Club is based at the college ground; there are a number of teenage members in the club sides.
- A number of local independent schools use the college's facilities for activities such as sports training and speech days.
- The college has provided rowing equipment and instruction to the Pangbourne village Brownie Pack.

Section 4

Examples of those activities and opportunities identified by the charity which are not related to the aims.

- The College's stewardship of the Falkland Islands Memorial Chapel.
- The RFU's use of college facilities for adult training sessions.
- Use of college facilities by members of the Local Residents Association.
- Public use of the bluebell woods which are maintained by the college.
- Employment of staff.
- Financial benefit to the state by educating the pupils at the college.

This publication can also be accessed at the Charity Commission's website: www.charitycommission.gov.uk

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