

<b>Committee(s):</b>	<b>Date(s):</b>	<b>Item no.</b>
Board of Governors City of London Freemen's School	Friday, 5 <sup>th</sup> October 2012	
<b>Subject:</b> Scheme for Foundation Scholars	<b>For Decision</b>	
<b>Report of:</b> The Chamberlain	<b>Public</b>	
<p><b><u>Executive Summary</u></b></p> <p>This report advises Members of:</p> <ul style="list-style-type: none"> <li>• the annual assessable income level below which the parent or guardian of a Foundation Scholar would not be expected to make a contribution to school fees; and</li> <li>• the allowance to be made against the parents or guardians assessable income for each dependent child that is not a Foundation Scholar.</li> </ul> <p>In order to maintain the real value of the assessable income level and the adjustment for dependent children, it is proposed that they are increased in line with the Retail Prices Index (RPI), as has been the practice in previous years. For the year to March 2012 the RPI shows an increase of 3.6% and, accordingly, the recommendations reflect this increase.</p> <p><b>Recommendations</b></p> <p>It is recommended you approve:</p> <ul style="list-style-type: none"> <li>• an increase in the annual assessable income level below which the parent or guardian of a Foundation Scholar would not be expected to make a contribution to school fees from £12,890 to £13,350;</li> <li>• an increase in the dependent child allowance from £1,630 to £1,690; and</li> <li>• continuation of the current scheme of contributions as detailed in paragraph 3 of this report.</li> </ul>		

## **Main Report**

### **Background**

1. On 24<sup>th</sup> March 1960, the Court of Common Council approved regulations under which children of a deceased Freeman of the City of London could be elected as Foundation Scholars at the City of London Freeman's School, subject to the recommendation of the Board of Governors. These awards are financed from Freedom fees and although termed scholarships, are effectively bursaries as they are awarded on a means-tested basis.

### **Current Position**

2. The current guidelines for Foundation Scholars were approved by your Board in October 2011. In order to maintain, in real terms, the level below which the parent or guardian of a Foundation Scholar would not be expected to make a contribution to school fees, and the allowance for each dependent child who is not a Foundation Scholar, it is recommended that they are adjusted in line with the RPI, as has been the practice in previous years. The RPI shows a 3.6% increase for the year from April 2011 to March 2012 and on the basis of this increase, the following are proposed:
  - a) There should be no contribution from a parent or guardian with assessable income of less than £13,350 instead of the present figure of £12,890.
  - b) The allowance for each dependent child who is not a Foundation Scholar should be increased to £1,690 from £1,630.

### **Scheme of Contributions**

3. Subject to your approval of the above revisions, the main items of the scheme remain unchanged and are as follows:
  - i) The contribution is to cover all tuition and boarding fees and any other charges that would normally be incurred by fee paying pupils at the school. This includes music lessons in one instrument.
  - ii) The City to provide Foundationers with only school uniform and games clothes, but no footwear (other than sports footwear) or other garments except in cases of necessity.
  - iii) There should be no contribution from a parent or guardian with a net assessable income of less than £13,350 per annum.

- iv) Mortgage repayments, council tax, rent and ground rent to be allowed as a deduction from the total income in calculating the total assessable annual income.
- v) Allowance to be made of £1,690 for each additional dependent child who is not a Foundation Scholar.
- vi) Where a Foundation Scholar is a day pupil the contributions from parents to be reduced, by one half.
- vii) For every £5 of assessable income over the threshold of £13,350, the contribution by the parent or Guardian should be £1.

### **Consultations**

- 4. The Headmaster has been consulted in the preparation of this report

### **Background Papers:**

*RPI Index*

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