

Taxpayers fund large wages and lavish perks of academy school chiefs

Heads of taxpayer-funded independent chains are making claims that include fast cars, first-class travel and Marco Pierre White dining while schools struggle

The leaders of academy schools are spending taxpayers' money on luxury hotels, top-end restaurants, first-class travel, private health care and executive cars, a joint investigation by Channel 4's *Dispatches* and the *Observer* can reveal.

Expense claims released under the Freedom of Information Act lay bare for the first time what critics claim is an extraordinary extravagance by some academy chain chief executives and principals, at a time when schools are struggling financially.

The taxpayer is paying Ian Cleland, the £180,000-a-year chief executive at Academy Transformation Trust, to lease and have joint insurance with his wife on an XJ Premium Luxury V6 Jaguar car, it can be disclosed. Included in nearly £3,000 worth of receipts is payment for servicing the car and the purchase of new tyres.

Cleland has also spent £3,000 of taxpayers' money on first-class rail travel, while dining expenses racked up on his taxpayer-funded credit card include a meal with other staff at Marco Pierre White totalling £471, and the Bank restaurant in Birmingham, at a cost £703.45.

Cleland announced in March that the Trust was looking to save £500,000 from its 21 schools in the Midlands and east of England and had asked staff to reapply for their jobs. "The education sector is facing a number of significant financial challenges across the country with all schools, academies and multi-academy trusts being affected," he said at the time. "As a result, it is essential that we review our costs and consider where savings can be made, without impacting on the quality of education."

Elsewhere in the country, thousands of pounds have been spent at top hotels and even rooms in luxury golf clubs by senior executives working for academy trusts. The public has also regularly funded first-class travel and poured money into taxi firms.

The largest 40 academy trusts have spent more than £1m of public money on executive expenses since 2012.

The *Observer* can reveal that Maxine Evans, soon to be chief executive of the NET Academies Trust, who currently earns £46,000 a year, spent more than £9,000 on executive taxis to travel between schools in 2015/16, where the driver was at times required to wait for the duration of the visit.

The Paradigm Trust pays for its CEO, Amanda Phillips, to have broadband at her holiday home in France, even though she earns £195,354 a year.

Meanwhile, as former education secretary Michael Gove's vision of a more market-led school system has materialised, in which multi-academy trusts have taken the place of local authorities, salary levels have soared within the management tier, it can be revealed. More than half of the largest 50 chains pay their chief executives more than the prime minister (£143,000). Sir Daniel Moynihan, the chief executive of the high-performing Harris Federation, earns £395,000 a year.

The chief executive of the Aspirations Academies Trust, which runs 12 schools, pays its chief executive and founder, Stewart Kenning, a total package of £225,000, while his wife, Paula Kenning, receives £175,000 as executive principal and founder. And as the salaries have shot up, the so-called related party transactions – where companies with close links to directors of academy trusts are paid for services to those trusts – have also multiplied.

Take, for example, the US organisation founded by Dr Russell Quaglia, the American-based co-founder of the Aspirations Academy Trust (AAT). In a document uncovered through a freedom of information request, the trust claims to the regulator that it is abiding by the no-profit rule governing such transactions, and it is suggested that the American is working at a discount.

It actually costs Quaglia \$8,300 (£6,330) a time to come to Britain, AAT claims. “This is based on transportation costs to and from the US, including parking and travel to and from airports in the US – \$5,000,” the document says, adding of further costs: “Hotels and meals: \$3,000; internal travel (trains/cabs/tubes): \$300. For six visits a year, the [annual] average cost would therefore be \$49,800.”

The trust adds that the provision of Quaglia's top-of-the-range staff and student surveys to the schools costs an additional \$20,000 a year. And his normal consultancy rates range from \$9,600 a day to \$18,000 a day, plus travel costs, it is said. "The amounts paid directly to Dr Quaglia, in lieu of basic salary, range from \$8,000 to \$15,000.

"Based on 15 days' consultancy for the AAT, the total day rate cost would be a minimum of \$120,000. We can confirm that Dr Quaglia is in high demand and turns down 75% of approaches, so any time not devoted to ATT would be easily filled by other paying engagements. In conclusion, the cost ... equates to £114,337, which is significantly above the charged amount of £89,724."

The Department for Education says that such transactions "can save money" but that they investigate and will take "swift action" where there is cause for concern.

A spokesman for the Aspiration Academy Trust said: "Dr Quaglia is a highly respected figure in international education, and as he is in high demand around the world, we are grateful for his commitment to the trust and to improving the aspirations and life chances of our students.

The amounts that we pay to the institute are openly disclosed in our accounts, have been assessed as being 'at cost' in line with Department for Education rules, are audited by independent external auditors and full information has been disclosed to the department, who have not raised any concerns."

However, asked to respond to the revelations, Margaret Hodge, the former chair of the Commons public accounts committee, said that the checks and balances in the academy system were not robust enough: "These related party transactions should be outlawed and it is so bloody obvious. If you are getting involved in schools for the public good, then you shouldn't be making money out of it. Yet none of this stuff ever comes out because of the regulators discovering things."

Shadow chancellor John McDonnell MP said: "The Tories have shown that when it comes to most people, they aren't afraid to take in-work benefits or public services off us. But when it comes to the bosses of their failing academy programme, no expense is spared.

“In just five years the number of academies has grown from 600 to more than 5,000, while the regulator’s staffing numbers have collapsed. The risk analysis division of the Education Funding Agency (EFA), that looks at the finances of academy trusts, dealt with 125% more financial returns in 2014-15 than the previous year, despite having 20% fewer staff .

Jon Richards, the head of education at Unison, said the investigation revealed that the system was untenable: “There are huge amounts of public money being shovelled around in the schools system, and unless the EFA ups its game, plenty of unscrupulous people out there will help themselves.”

Responding to the issues raised, a spokesman for the Academy Transformation Trust said: “Restaurant expenses were related to events for staff, teachers and principals and not personal use.

“Ian [Cleland] is provided with a lease vehicle as part of his remuneration package. The cost of maintaining this vehicle is paid for by the trust. Ian’s role requires significant, regular travel throughout the regions where our academies are based, hence the maintenance costs, including tyres and vehicle health checks.”

Pat Jefferson, chair of the NET Academies Trust, said: “The trust does apply an expenses policy, which is consistent with good industry practice in the public sector and with the particular requirements of the Academies Financial Handbook. I am satisfied that the policy has been fully complied with.”