

EDUCATION FREE FOR ALL

Outsourcing, contracts and conflicts of interest in the UK

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In November 2015, *Investors Chronicle* carried a front page which declared: ‘CARVE UP: Tap into Britain’s outsourcing boom’ (*Investors Chronicle*, 20-26 November, 2015). The editorial goes on to state: ‘. . . recent history has taught us that when government money is tight, the level of services outsourced to private providers often rises’ (Powell and Liberton, 2015, p. 27). Education is now among the many public services which readers of *Investors Chronicle* can consider as an investment opportunity. In 2014, the *Times Education Supplement* reported a speech which Lord Nash, Parliamentary Under Secretary of State for Schools, gave to the Independent Academies Association’s conference. Lord Nash, who is the chair of the Future Academies chain of schools, argued that as schools were facing budget cuts in the recession, ‘efficiency savings’ could be made through the outsourcing of a range of services:

“ . . . a new generation of school leaders is going to have to emerge to cut their cloth to drive efficiencies . . . This is one of the biggest challenges facing the school system: schools will increasingly have to do more with the same money.” Savings could come through more effective purchasing, economies of scale, a more efficient use of teachers and teaching assistants and a better use of IT, he said¹.

Schools are in a position to award a lucrative range of contracts – from stationary, catering and cleaning through to learning materials, management training, financial and IT services, and it is across all these services that they are now required to ‘cut their cloth’. The education market was estimated at over £100 billion in 2011, according to the Association for Teachers and Lecturers. (Benn, 2011, p. 118). As Stephen Ball noted in 2007: ‘Education is big business . . . not only are the privatisations which the E (ducation) S (ervices) I (ndustry) represents very diverse, but so too are the companies and groups which participate.’ (Ball, 2007, p. 39). While once these services would have been under Local Authority control, for Academy Trusts and Free schools there is very little oversight over how such contracts are awarded, or which companies and groups are involved. In his study of the incursion of private finance into British public services, George Monbiot pointed to ‘. . . the corporate takeover of schools’ (Monbiot, 2001, p. 331). Since Monbiot and Ball identified this ‘takeover’ it has accelerated rapidly and efficiently under the Conservative government elected in 2015. That take-over is not obvious, neither is it transparent, but it is ruthless and ferociously complicated.

Free schools were central to the coalition² flagship policy for education and continued to be under the 2015 Conservative government. The second Conservative Minister for Education, Nicky Morgan, described Free schools as ‘modern engines of social justice’³ Since Kenneth Baker (Education Minister under the Thatcher government) advocated City Technology Colleges there has been a dizzying array of apparently new initiatives in education policies; Academies, Beacon Schools and Education Action Zones under the New Labour government of Tony Blair, Free schools under the coalition between the Conservatives and Liberal Democrats. What each of these share is a shifting away of control from Local Education Authorities (whose control over schools was a principle established in the 1944 Education Act), towards an encouragement of the involvement of private companies and individuals. Academy Trusts are independent, overseen only by the Department of Education; as Ball put it in 2007: ‘It is a side-stepping of established procedures and methods, in particular local authority democracy and civil service bureaucracy and their replacement with different set of relationships and a different ethos . . . ‘ (Ball, 2007, p.830). In a speech to the Conservative Party conference in 2015, the then Prime Minister David Cameron said that his next ambition was to make ‘local authorities running schools a thing of the past’⁴.

In 2016, the Government published a White Paper on education, *Educational Excellence Everywhere*, which promised an educational policy for: ‘Empowering pupils, parents and communities, with a clearly defined role for local government’ (HMSO, 2016, p. 1). This ‘role’ is spelt out in the paper: ‘Local authorities will step back from running schools’, instead it was proposed that local authorities would be required to oversee the transfer of all state schools into academies, and the expansion of ‘sponsor capacity’ (HMSO, p. 65).

Over successive administrations, private providers have taken over more and more aspects of education, while each government maintains that education remains in the public domain. A little noticed clause in the 2011 Education Act⁵ also allowed private companies to run Further Education colleges for profit. The Conservative think tank, Policy Exchange, has argued that this model should be extended into schools. Policy Exchange is an educational charity and has an Education and Arts Unit which states on its website: ‘We encourage a market orientated approach to education, accepting that public, private and voluntary all have a role to play and that they be regulated – rather than controlled – by government’⁶. Michael Gove, education minister under the coalition government, replaced in 2014 by Nicky Morgan, is a former chair of Policy Exchange and Morgan has herself presented policy papers to Policy Exchange. Both have publically endorsed a ‘market orientated approach to education’. Morgan, current Minister for Education, gave a speech at the Floreat School in 2016, in which she said: ‘We have sought, like no government before us, to bring business people into the education system’⁷.

Once in place as Minister of Education in 2010, Gove advocated his own variation of the City Academies, 'Free schools'. These differed from academies in that while academies were to some degree accountable to Local Authorities, Free schools are state funded independent schools, approved only by the Secretary of State for Education. The Education Act of 2011 allowed only for the setting up of new schools as Free schools or Academies; by March 2012, over half of state secondary schools were Academies, or in the process of becoming an Academy⁸. Under the coalition government, the number of Academy schools rose enormously; according to Department of Education figures; by 2015, 64 per cent of secondary schools and 16 per cent of primary schools were in the hands of private sponsors⁹. Government guidelines sternly require that that school should become an academy if it has been designated as 'failing'; Department of Education guidelines state: '... the warning notice should make clear that an academy solution is expected'¹⁰.

David Cameron and Michael Gove were determined to abolish what they consistently referred to as 'red tape' in the schools system, and what they meant by this was made clear in the 2011 Education Act, which abolished a number of bodies, including the General Teaching Council, the Development Agency for Schools and the Qualifications and Curriculum Development Agency, all concerned with the maintaining of consistency and standards in teacher training and education. The authority of these bodies was transferred to the Secretary of State for Education, and the Department of Education established instead a 'framework' of companies pre-authorised to offer management and educational services for a fee.

Legislation introduced under the coalition government had removed the provision of some schools' services from local authority control and forced the hand of schools to offer contracts to private providers. This was a surreptitious encroachment of the free market into schools that was ratcheted up still further under the majority Conservative government from 2015. All schools are responsible for a wide range of contracts, and Academy chains have particularly large numbers of contracts to award, but for Free schools and Academies, there is little oversight as to how such contracts are conferred. These contracts allowed for-profit companies to enter into education provision (companies which, in many cases, had no previous knowledge of schools). Government advice on setting up a Free school advises: 'Free schools can be set up by parents, teachers or voluntary groups. The founders who set up free schools are not able to make a profit from running them but they are allowed to commission private companies to provide services to the schools'¹¹. It is however precisely in those services that real profits can be made.

While Cameron and Gove's rhetoric purported to give control to parents and to teachers, commercial providers were being lined up to take over schools services, in much the same way that reforms in the Health Service claimed to hand power to doctors and to patients, while paving the way for medical corporations. The 'red tape' that the Conservatives so decried had once provided protections for

pupils, parents, teachers, school staff and the taxpayer, without local authority oversight, there was little regulation. In 2015, figures produced by the Department for Education showed that there were 11 allegations of fraud relating to Academy and Free schools in 2013, 21 in 2013-14, and 19 in 2014-15¹².

Ball has developed a typology of ‘players’ in the education services sector which gives some indication of the range and diversity of commercial sector involvement that have joined the public sector and NGOs in providing services to state funded education¹³:

Engineering/management services companies

Specialist management services provider

Public service start-ups

Niche start-ups

Primitive capitalists

Accountancy and consultancy services providers

Public sector and NGOs

Partnerships (Ball, 2007, p. 69)

Individually, these may seem relatively insignificant incursions, but cumulatively they demonstrate an ever growing involvement of for-profit companies in schools. And since that list was compiled it has grown, companies whose primary interest is not in education have increasingly become involved in producing commercial learning materials and management training for schools. Many of the CEOs of those companies are directly involved in the management and running of schools as members and chairs of the board of governors of Academy chains or Free schools. In 2007, Kenway et al. wrote about the galloping incursion into classrooms from commercial sponsors in the Australian context and argued:

. . . it is now the case that commercial enterprises without any educational dimensions (and indeed charitable organizations) are ‘targeting’ schools . . . the main imperative . . . is to commercialize the classroom (and other aspects of the school such as the canteen, the sports field, the front office) to establish schools as legitimate sites for profit and savings (Kenway et al, p. 8.)

Schools in the UK have experienced much the same ‘targeting’, as commercial providers have been welcomed into schools; the canteen, the sports field, the front office are worth more attention than the parentheses given here – these are the sources of significant profit.

Outsourcing in the education sector is where the stealthy privatisation of education began; it had initially been in back room activities, such as payroll, personnel, and property management, and has since moved steadily into consultancies and the provision of learning materials. Where once Local

Authorities would have been responsible for supplying or contracting such services, the Department of Education is now setting out to recruit private providers. The Department's home page has a dedicated section for companies seeking contracts awarded by schools under the aegis of the Department of Education, which is clearly pitched at commercial 'suppliers'.

There is enormous potential within this system for conflicts of interest; corporate suppliers and sponsors inevitably have commercial interests. And those conflicts of interest seem to be flourishing in Free schools and Academy chains. There is a lengthy catalogue of Academy Trusts, among them the largest chains in Britain, which have been demonstrably involved in financial mismanagement, vested interests and poor performance¹⁴, and which have been the subjects of investigations by the Charities Commission, Ofsted and the Education Funding Agency (EFA)¹⁵.

The Academies Enterprise Trust (AET) is the largest multi-sponsor of academies in the UK and is a charitable trust. Established in 2008, it now runs 67 schools, and has been prevented from taking on more because of concerns from the Department of Education of over-expansion¹⁶. According to AET, their chain has grown 'organically'¹⁷; however, after a rapid expansion under Michael Gove between 2011 and 2012, Ofsted found that 5 of their schools were found to require improvement, one was rated 'inadequate' and the chain was censured¹⁸. AET responded in 2014 by saying that the inspectors' findings were 'unfairly negative'¹⁹. Sir Michael Wilshaw, Chief Inspector of Schools and then head of Ofsted, called for the need to inspect chains rather than individual schools, but was rebuffed by Gove and later by Gove's successor, Nicky Morgan²⁰. According to a report in *The Observer*, AET had 'paid nearly £500,000 into the private business interests of its trustees and executives over three years for services ranging from project management to HR consultancy'²¹. A spokesman for AET responded 'that while services provided by trustees and staff had not been put out to competitive tender, AET had followed all the correct procedures' (Greany and Scott, 2014, p.30).

In 2014, AET announced plans to outsource all non-teaching roles in their schools, including librarians, speech therapists and curriculum development to private contractors, in partnership with PriceWaterhouseCoopers, in a deal worth £400 million. Although the Department of Education's initial response to the proposal was that outsourcing was a matter for AET and their board of trustees, the deal was finally derailed because the Education Funding Agency was called in front of the Public Accounts Committee (chaired by Margaret Hodge), where, when challenged, the EFA expressed their 'wider concerns'²². AET responded with a statement: 'we have decided that we should not continue with the proposals for the joint venture arrangement with PWC at this current time'²³. The proposal did not go through the Department of Education that time, but AET and PriceWaterhouseCoopers are clearly waiting.

In 2016, a letter from Ofsted sent to the CEO of AET reported on the outcome of the 2015 inspection of the schools in the trust: 'Since June 2014, . . . inspectors judged that the academy was not

improving fast enough. . . . It compares poorly with the national average of 75% good or better secondary schools'²⁴. AET responded with a posting on their own website, which regretted that Ofsted had not sufficiently recognised the Trust's achievements: 'We are. . . disappointed that the significant achievements of the Trust and our schools have not been sufficiently recognised . . . '²⁵.

E-Act Trust is another chain that has been the subject of criticism by Ofsted, which ruled that its educational 'mission' and commercial interests were not easily distinguishable. In March 2013 an audit by the Department for Education concluded that: 'The boundaries between E-ACT and its subsidiary, E-ACT Enterprises Ltd (EEL) are blurred. A number of activities undertaken by the subsidiary have been paid for with public funds and so appear irregular'²⁶. E-Act Trust was initially registered as a charitable trust, but was removed from the register in 2011²⁷. The Director General, Sir Bruce Liddington, resigned after an official warning from the government in 2013²⁸ and E-Act Enterprises Ltd was apparently dissolved, but at the time of writing is still listed on the Government website 'Companies in the UK list as 'Active – Proposal to Strike Off'²⁹. E-Act was issued with a financial notice to improve, which was lifted by the Education Finance Agency in July 2015. E-Act continues to be active and to run schools; its logo promises that it is 'Delivering Educational Excellence'³⁰. Sir Bruce Liddington is currently the company director of Transtatus Associates, a management consultancy, and continues as a management and training consultant for schools. In 2014 E-Act lost control of 10 of its schools after serious concerns were raised by Ofsted Inspectors, and Ofsted warned the E-Act Trust that it was failing to improve standards in many of its schools³¹.

Durand Academy Trust (DAT) was a trust singled out for praise by Michael Gove when he was Education Secretary³²; in 2014 the Trust controversially set up a state boarding school in Sussex which was roundly supported by Gove. In 2015 the Trust was subject to a financial notice warning from the Education Funding Agency and The Charity Commission set up an inquiry into the Durand Education Trust, another organisation which owns the land that the school is built on, and expressed 'significant concerns' about the 'potential lack of separation' between the two trusts³³.

The public accounts committee also investigated the Durand Education Trust's relationship with GMG Educational Support (UK) Limited, which is part of the private company Horizons London Ltd, which runs the leisure centre facilities at the Trust's schools. Sir Greg Martin the headmaster, who was knighted for services to education in 2013, was questioned by the Public Accounts Committee. It emerged that his salary was over £400,000, while he also had a financial interest in a dating agency which was run from the school site. Martin was removed from office due to conflicts of interest. He retired as head, but remained as a school governor³⁴ and continues to be listed as a Director of the Trust³⁵.

The Griffin Schools Trust was another Academy chain reviewed by the Education Funding Agency in 2013, which found 11 breaches of the *Academies Financial Handbook*³⁶. Contracts had been awarded

with no evidence of either competitive tendering or any register of business interests and it was found that three out of six trustees had connections with companies providing services to the trust³⁷. Over two years, the Griffin Trust paid over £800,000 to ‘consulting companies’ in which its founders or trustees had financial interests. It was reported in December 2015³⁸ that the Trust had diverted 5 per cent of its pupil premium fund for what was described as ‘GST management support’ and ‘trust strategy’. While Local Authorities were required to pass on all the pupil premium to the schools that they run, it would seem there is no such requirement for Academy chains.

The Aurora Academies Trust runs a chain of academies and holds ‘lead sponsor’ status with the Department of Education, it is a ‘preferred’ provider of academy schools and advises the Department of Education on policy decisions. In 2014, An Institute of Education Report found that the Trust was paying ‘about £100,000 a year for the use of a patented global curriculum’ (Greany and Scott, 2014, p. 29); this curriculum is ‘Paragon’, which sets out to replace the social studies, history, and geography provision at primary and secondary school levels. The Aurora Trust was set up by Mosaica Education UK, a subsidiary of the American company, Mosaica Education Inc. Mosaica is a for-profit management company which runs a network of 90 charter schools in America³⁹. The arm responsible for schools in Britain is Mosaica Education UK, which ‘provides school management, professional development and education consulting services to schools and governments within the United Kingdom’⁴⁰. The general secretary of the National Union of Teachers, Christine Blower, responded to *The Observer* newspaper: ‘What is most shocking is that no accountability mechanism exists to prevent this, nor is there any form of quality assurance’ (*The Observer*, 19 May, 2013)

The founder and President of Mosaica Inc. is Gene Eidelman, currently the chair of the Aurora Trust in Britain. Mosaica began when Eidelman, with his wife Dawn, launched Prodigy Consulting, a chain of corporate sponsored child development centres in 1988. Mosaica Inc. involves a number of for-profit companies involved in educational services including: Mosaica Online, a ‘virtual education program’, Mosaica Turnaround Partners, a management consultancy, Mosaica International Schools, which plans to operate private international schools⁴¹. Mosaica also provides the Paragon curriculum (designed by Dawn Eidelman) in its schools, despite criticism by Ofsted (as in America) for its lack of ‘local focus’ (Greany and Scott, 2014, p. 29). It was the licensing of Paragon to the Aurora Academies Trust that prompted concerns from the Institute of Education report, which found that three of the Directors of the Aurora Trust had interests in Mosaica (Greany and Scott, 2014, p. 29). There have been a series of scandals associated with Mosaica’s operations in America; a study by Arizona State University made a list of 36 schools operated by Mosaica from 1997 and found that:

Twenty seven of those schools have since been shut down by local authorizers or have extricated themselves from Mosaica’s management. Of the nine which survived, eight can be classified as categorical failures . . .⁴²

The Parliamentary Under Secretary for Schools, with responsibilities for ‘Academies, Free schools, UTCs, Studio schools, independent schools; School organisation; Education Funding Agency’⁴³ is Lord John Nash, who has a background in venture capitalism and is a significant donor to the Conservative Party. He is a co-founder and Partner in Sovereign Capital, a private equity company that specialises in investing in support services in health and education⁴⁴, and also the Chair of Future, an educational charity that runs a chain of academies⁴⁵. Ball includes Sovereign Capital among the group of ‘primitive capitalists’ who ‘operate across the public/private divide . . . in the private sector they ‘sell’ directly to the public (or to L(ocal) A(uthorities) through ownership of private schools, care homes and nurseries’. (Ball, 2007, p.61)

The Daily Telegraph, a newspaper generally sympathetic to Conservative ministers and policies, was moved to question whether Lord Nash’s appointment as Under Secretary in the Department of Education involved a conflict of interests⁴⁶. Nash can be understood as one among the ‘new players, individual and corporate, who sit at the tables of policy, seek influence and favour and ‘do ‘ policy by contact and in relation to outcome measures and performance payments’ (Ball, 2007, p. 190). In April 2014 Nash produced a document for the Department of Education, which was leaked. The document, ‘Future Academy System Session,’ admitted the numerous failings of Free schools, and proposed that the government bring in private advisers to turn round failing. He warned of approaching cuts to education and recommended the use of standardised lesson plans (which could include Mosaica’s Paragon) in order to save money. Lord Nash is personally in a position to provide both standardised lesson plans and educational management training, as the chair of the Future Academies Trust. While the Trust itself is a registered charity, under its arm is The Curriculum Centre, which offers commercial training events and conferences, and offers its own curriculum packages of standardised lessons which can be used by unqualified teachers⁴⁷. While The Curriculum Centre’s website⁴⁸ claimed in 2014: ‘We are a charitable organisation, founded to share the benefits of deep curriculum change’, the Curriculum Centre does not currently appear on the government list of registered charities. It is The Curriculum Centre’s curricula and training programmes which Lord Nash recommended to school leaders and to the Department of Education⁴⁹. Lord Nash and his wife Lady Caroline Nash have some experience in setting up commercial consultancies with particular interests in public services, while simultaneously donating large sums to the Conservative Party and moving into government and policy making circles. Lord Nash was a CEO of Care UK, and his wife funded Andrew Lansley’s office while he was shadow secretary of Health.

The Curriculum Centre’s Advisory group includes a number of members who also run consultancies and who are embedded in Conservative party politics. One member is James O’Shaughnessy, now Lord O’Shaughnessy, who was Director of Policy for David Cameron and Director of Policy and Research for the Conservative Party; O’Shaughnessy was also once a Director of and is now a visiting fellow at Policy Exchange. He founded Floreat Education, which now runs a chain of five schools⁵⁰.

Lord O'Shaughnessy also advises for Portland Communications, a 'political consultancy'⁵¹ and is a Director and owner of Mayforth Consulting, 'a strategy and research consultancy with a primary focus on education'⁵². O'Shaughnessy is also chair of IPEN (International Positive Education Network), a global organisation that promotes the 'character + academics' approach to education'. This is a group with international interests, close to government, whose members chair academy chains, and who have commercial interests in educational management and learning materials.

Stephen J. Ball argued in 2003 that: 'We are seeing . . . with different degrees of intensity in different locations, the establishment of new generic modes of organization, governance and delivery of state education . . . (Ball, 2003, p. 30). John and Caroline Nash's Future Academies is one of these locations and they are spreading it across the nation as governors of schools, between them they hold at least 7 chairs or co-chairs on school boards⁵³.

Among Lord Nash's many business interests were his shareholdings (according to the Register of Lords' interests his 'interest ceased' in July 2015⁵⁴ in Longshot Kids Ltd, which brought the globalised Mexican chain⁵⁵ KidZania to Britain in May 2015. KidZania was struck off and dissolved from the UK Companies register in 2012, but there is no information as to why this was the case⁵⁶. In 2001, Kenway and Bullen argued that 'we are entering another stage in the construction of the young as the demarcations between education, entertainment and advertising collapse '(Kenway and Bullen, p. 3). The blurring of those demarcations can be seen to have reached its apotheosis in KidZania, where the alliance of educational and commercial interests is vividly apparent. The *Daily Telegraph* dubbed the experience as a 'schooling in capitalism'⁵⁷, while KidZania's own online journal declared 'The UK gets its first Capitalist Theme Park'⁵⁸. KidZania styles itself as 'educational entertainment brand'; and while it appears to be an entertainment business, its broader educational ambitions in the UK are evident in the further reaches of its website.

The London branch is run by Longshot Ltd., a leisure company and was set up in partnership with British Airways. The parent company boasts that its 'selected partners' include Coca-Cola, Baskin Robbins, Dunkin Donuts, Domino's Pizza, McDonald's and Mars⁵⁹ and states: 'A key component of the KidZania experience is the integration of real world brands . . . an immersive and interactive brand experience'⁶⁰. KidZania is keen to brandish its educational credentials on its publicity materials; its website has a dedicated 'Learning with KidZania' section which claims: 'Learning is at the very heart of KidZania's values, our cross-curricular educational experience will challenge and inspire children from ages 4 to 14 . . . We will be developing a network of KidZania Ambassador Schools'⁶¹. It is not yet clear where in their global franchise those 'Ambassador Schools' would be located, nor what an Ambassador School might be, but under current regulations for the founding of a school there is nothing to prevent KidZania from opening up a chain of schools in the UK. From Department of Education information on the setting up of Free schools⁶²; the only criteria appear to be that there is a

strong narrative, that the Board of Directors has expertise and that there is a proven need for a school in the designated area. KidZania clearly has that strong narrative, and the UK branch has an educational advisory group in place, which boasts an impressive array of educational and financial expertise. KidZania's 'Think Tank' includes Professor Maggie Atkinson, former children's commissioner for England, Sir William Atkinson, the 'superhead' of Phoenix School who was knighted for his services to education, Baron Jim Night, Managing Director of Online Learning at TES Global, and, Claudia Harris, CEO of The Careers and Enterprise Company. The Careers and Enterprise Company was set up with public funding to improve careers advice in schools, and Harris was appointed by Nicky Morgan, then Secretary of State for Education.

These are only some among the many Academy Trusts and educational charities whose activities and boards of trustees merit some serious scrutiny. Sir Michael Wilshaw, then head of Ofsted, wrote a letter to then Education Minister Nicky Morgan expressing his concerns following the inspections of seven academy chains which included AET, E-Act, Oasis, The Education Fellowship and School Partnership Trusts; he wrote: 'some of these trusts are spending money on expensive consultants or advisers to compensate for deficits in leadership. Put together, these seven trusts spent at least £8.5 million on education consultancy in 2014/15 alone' ⁶³.

In 2015, the House of Commons Education Committee published a report which raised concerns about conflicts of interest in Academy Trusts, based on the 2014 Institute of Education report. The response from Nicky Morgan for the Department of Education was to reassure that the Education Funding Agency and the Department of Education were monitoring such trusts:

Oversight of academies' governance is the responsibility of the EFA, which scrutinises academy trusts' annual governance statements . . . The EFA has strengthened its monitoring of governance changes in academies, and the department has taken clear new powers to bar those involved in academy governance found to be unsuitable. The roles and responsibilities of governors and trustees are clearly set out in the AFH, and if there is a breach, the EFA will consider whether intervention is necessary ⁶⁴.

However, the Institute of Education report had stated that previous reports had 'questioned whether the Education Funding Agency (EFA) has the skills or capacity required to fulfil its role as the funder and financial regulator of academies'; the current report concluded that 'the capacity and skills of the EFA and Ofsted are insufficient to deal with the sheer number of academies in place.' (Greany and Scott, 2014, p. 36). The research found that 'Several interviewees argued that neither the EFA nor Ofsted is fit for purpose with respect to guarding against conflicts of interest' (Greany and Scott, 2014, p. 4).

There has been a pattern emerging under the coalition and Conservative governments of (mainly) men, often associated with Policy Exchange, who come from a background in venture capitalism or hedge fund management, who are only too willing to sponsor chains of Academies and Free schools

and to set up charitable trusts (with the tax privileges that come with charitable status). These are the ‘best leaders . . . of the school system’, according to a repeated phrase in the 2016 White Paper (HMSO, p. 8). The boards of these trusts use public funding to commission goods and services from for-profit organisations, and there are numerous cases in which board members have a direct link or financial interest in those companies⁶⁵. Among the few educational theorists cited in the 2016 White Paper on Education is Sir Michael Barber. Barber is the Chief Education Advisor to Pearson, a corporation which provides educational publishing and assessment services to schools⁶⁶.

Boards of governors of Academy Trusts are regularly made up of CEOs of commercial ‘consultancies’ such as Pearson, which are then contracted by schools, so funnelling large amounts of state funding into corporate interests. Many of the Chairs of Academy Trust chains are also close to government, often moving into advisory roles, and some, like Lord Nash, into the Ministry of Education. Under current education policy, there is little check on corporate interests in state schools. The White Paper initially proposed that parent governors, who represented the interests of local communities and children on governing bodies, would no longer be able to sit on school boards, their presence dismissed as ‘a symbolic representation’ (HMSO, p. 65). Instead, parents were offered a virtual ‘new Parent Portal’, as ‘Many parents find it difficult to understand the school system’ (HMSO, p. 66). It was clear in the White Paper that parent governors were not welcome in the overseeing of school governance. Under the proposals, the only final arbiters of an Academy chain were to be the Ministers of Education. And, as in the case of Lord Nash, those ministers may themselves well have vested interests in decisions that are made. There is a regularity in the constituency of the boards of Trustees across a number of Academy chains under the Conservative government; an unholy alliance of hedge fund managers, venture capitalists, and CEOs of organisations with significant business interests in the outsourcing of public services.

The Institute of Education report concluded: ‘it is clear that very large sums of public money are being paid to trust Board members and their companies as well as the trading arms of academy chains. . . .’ (Greany and Scott, 2014, p.23) The membership of these boards and their financial decisions remain largely unchallenged by the Department of Education. In many cases there are close alliances between the Department of Education and these ‘players’; many are associated with Policy Exchange and many have been decorated for their ‘services to education’. A number, not only Lord Nash, have moved directly into government advisory roles and have set up consultancies which are used by government.⁶⁷ Behind the rhetoric of ‘inspiring’ and ‘strong’ leadership’ of the white paper, lies a shadowy group of (unnamed) for-profit companies.

In 2012, the Conservative think tank, the Institute of Economic Affairs, published a report *The Profit Motive in Education: Continuing the Revolution*, which argued that the Conservative reforms to education would not be complete until for-profit companies had been wholeheartedly welcomed into

schools⁶⁸. Stephen J. Ball could write in 2007: ‘There is no simple uni-directional move to privatise, although the scope of privatisation is ‘expanding as the obvious ‘solution’ to public sector difficulties. . . ‘ (Ball, 2007, p. 121). That may have been true under the New Labour of Tony Blair, but under the coalition government from 2010, the ‘scope of privatisation’ expanded even further as more schools were forced down the Academy route and were no longer answerable to anyone but the Secretary of State for Education. Under the Conservative majority government, from 2015, a ‘simple uni-directional move’ towards privatisation seems well within the bounds of possibility.

In 2013, *The Independent* reported a leak from the Department of Education which demonstrated how close Michael Gove came to privatising British school system in his term as Education Minister:

Academies and free schools should become profit-making businesses using hedge funds and venture capitalists to raise money, according to private plans being drawn up by the Education Secretary, Michael Gove. Details of discussions on the proposed redesign of academy regulations were leaked to *The Independent* by Department for Education insiders who are concerned that Mr. Gove is going too fast and too far in his ambition to convert all 30,000 schools in England to academies⁶⁹.

Nicky Morgan, Gove’s successor, did say in 2015 that she was ‘very uncomfortable’ with the idea of for-profit schools in 2015 ([www. telegraph.co.uk](http://www.telegraph.co.uk), 9 March 2015). Nonetheless, the 2016 White Paper did propose that all schools would be required to become Academies. In the event, the ambitions of the Secretary of State for Education to remove parent and council involvement from local schools and to hand them over to multi academy chains was stymied by a chorus of disapproval. Local councillors, school governors, educationalists, teachers and teaching unions (of all political persuasions) united in their opposition to the proposals of the White Paper. Nicky Morgan was roundly booed when she told the NASUWT conference (the less radical of the teachers’ unions) that there was ‘no reverse gear’ to the government’s plans⁷⁰. On the day after the local and mayoral elections in May, 2016, when there was much to distract the news agenda from a humiliating climbdown for the government, Nicky Morgan announced that she was a ‘listening secretary of state’ and that well performing local authority schools would not now be required to convert to academy status⁷¹. She was replaced in July 2016 as minister by Justine Greening.

Nonetheless, academy schools seem to remain as the preferred option for the Department of Education. In a strange reversal, where once commercial sponsorship was called upon to plug the gaps in state funding for schools, public funding is now being directed to an under-investigated set of corporate ‘consultancies’ whose directors sit on the boards of Academy and Free schools. In the drive to push state schools further and further into the arms of academy chains, there has a blurring of any distinction between private and the public interest, between commerce and charity, between education and enterprise; this obscuring of commercial interests and a lack of oversight into the allocation of public funding has been a feature of the relationship between the state and the private sector under successive administrations but has intensified under the current Conservative government. Mosaica,

the Curriculum Centre, KidZania and many other 'private providers' are all, meanwhile, circling their wagons.

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- ¹ www.tes.com/news/school-news/breaking-news/schools-face-post-election-funding-squeeze-warns-minister, 11 October 2014
- ² In the election of 2010, no single party won an overall majority, and a coalition was formed between the Social Democrats and the Conservatives, under the leadership of then Conservative Prime Minister, David Cameron
- ³ www.gov.uk/government/news/free-schools-drive-social-justice-nicky-morgan, 22 May, 2015
- ⁴ www.gov.uk/government/speeches/pm-speech-this-is-a-government-that-delivers , 7 December 2015
- ⁵ This Education Act also repealed the duties of governing bodies and local authorities in relation to admissions and school meals. In 2013, the School Food Trust reported that 9 out of 10 academies were selling junk food to students in dinner halls and vending machines; no longer bound by the Labour ruling that academies had to abide by required standards of nutrition, the schools were making between £3000 and £15,000 a year from the sales of fizzy drinks, crisps and chocolate (www.childrensfoodtrust.org.uk, 25 June 2013)
- ⁶ www.policyexchange.org.uk , July, 2016
- ⁷ www.gov.uk/government/speeches/nicky-morgan-opens-character-symposium-at-floreat-school., 21 January 2016
- ⁸ www.gov.uk/government/uploads/system/uploads/attachment_data/file/328436/Academies_Annual_Report_2012-13.pdf , 9 July 2014
- ⁹ www.suttontrust.com, July, 2016
- ¹⁰ www.gov.uk/government/organisations/department-education/complaints-procedures... January, 2016
- ¹¹ www.gov.uk/set-up-free-school, July, 2016
- ¹² www.gov.uk/government/collections/academies-investigation-reports. See also, *The Observer*, 6 September 2015, p. 12
- ¹³ This listing does not include construction companies, banking or IT services
- ¹⁴ see, for example, Greany and Scott, 2014, Philips and Whannel, 2013
- ¹⁵ see Benn and Downs, 2015
- ¹⁶ <http://schoolsweek.co.uk/largest-academy-chain-offloads-eight-schools> 24 April 2015
- ¹⁷ www.academiesenterprisetrust.org, 10 July 2016
- ¹⁸ <https://www.tes.com/news/school-news/breaking-news/ofsted-englands-biggest-academy-chain-failing-too-many-pupils>, 4 February 2016
- ¹⁹ www.bbc.co.uk/news/education-29011548, 1 September 2014
- ²⁰ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/506718/HMCI_advice_note_MAT_inspections_10_March_2016.pdf, 10 March, 2016
- ²¹ *The Observer*, 6 September 2015
- ²² www.schoolsweek.co.uk/academy-chain-drops-plan-to-outsource-non-teaching-staff, 20 November, 2014.
- ²³ www.academiesenterprisetrust.org/about-us/news/jointventure, 21 August, 2015
- ²⁴ www.gov.uk/focused-inspection-of-academies-enterprise-trust, 4 February, 2016
- ²⁵ www.academiesenterprisetrust.org/about-us/news/statementinresponsetoofstedletter, 4 February 2016
- ²⁶ www.gov.uk/government/Financial_management_and_governance_review, 11 March 2013
- ²⁷ www.gov.uk/government/organisations/charity-commission, July, 2010
- ²⁸ www.tes.com/news/tes/extravagant-expenses-and-pound393k-irregularities, 17 May 2013
- ²⁹ www.companiesintheuk.co.uk, 10 July, 2016
- ³⁰ www.e-act.org.uk, 10 July, 2016
- ³¹ www.bbc.co.uk/news/education-26735154, 25 March, 2014
- ³² www.localschoolsnetwork.org.uk/2013/gove-shines-beam-of-approval 9 January, 2013
- ³³ www.gov.uk/government/news/new-charity-investigation-durand-education-trust, 18 February, 2015
- ³⁴ www.localschoolsnetwork.org.uk/2013 9 January, 2013

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- ³⁵ www.gov.uk/government/organisations/companies-house, 10 July, 2016
- ³⁶ www.kentadvice.co.uk/peters-blog/item/851-the-griffin-academies-trust, 7 November 2015
- ³⁷ see *The Observer*, 25th October, 2015
- ³⁸ www.theguardian.com > Education > Academies, 1 December 2015
- ³⁹ Mosaica generates more than \$125M in annual revenue; *Inc. Magazine* has ranked Mosaica as one of the fastest growing companies in America.
- ⁴⁰ www.mosaicaeducation.com 10 July, 2016
- ⁴¹ Mosaica currently operates one school in Hyderabad, India
- ⁴² www.repository.asu.edu/attachments/78989, 10 July, 2016
- ⁴³ <https://www.gov.uk/government/people/lord-nash> 10 July, 2016
- ⁴⁴ In 2013 it was reported that Sovereign Capital owned companies with more than £70m worth of government contracts (*The Guardian*, 18 October, 2013).
- ⁴⁵ In 2013, two head teachers from the Future Academy in Pimlico resigned within the space of less than a month, one with no teaching qualifications resigned after three weeks, the other cited 'bullying by the academy management' (*The Guardian*, 18 October, 2013).
- ⁴⁶ www.telegraph.co.uk, 11 January, 2013
- ⁴⁷ In 2016 it was reported that Lord and Lady Nash's daughter was teaching and advising on the curriculum at the Pimlico Academy, one of the Future Trust's schools, although unqualified (*The Independent*, 13 May, 2016)
- ⁴⁸ The Curriculum Centre's website has been unavailable since 27th October, 2014.
- ⁴⁹ see Benn and Downs, 2015
- ⁵⁰ Nicky Morgan officially opened and gave a speech at the Wandsworth Floreat school in 2016, www.floreatwandsworth.org.uk
- ⁵¹ www.portland-communications.com, July 10, 2016
- ⁵² www.mayforthconsulting.wordpress.com, 24 July, 2013
- ⁵³ see *The Guardian*, 29 July, 2014
- ⁵⁴ <http://www.parliament.uk/mps-lords-and-offices/standards-and-interests/register-of-lords-interests/>, 10 July, 2016
- ⁵⁵ KidZania first opened a theme park in Mexico City in 1999. By 2014 it had 18 sites in five continents.
- ⁵⁶ <https://beta.companieshouse.gov.uk/company/07536366>, 10 July, 2016
- ⁵⁷ <http://www.telegraph.co.uk/travel/destinations/europe/united-kingdom/england/london/articles/KidZania-the-educational-theme-park-where-kids-play-at-being-adults/>, 25 June 2015
- ⁵⁸ <https://kzjournal.kidzania.com>, 18 May 2015
- ⁵⁹ It is worth noting that these are all brands of fast food and confectionary, which many parents would prefer to avoid
- ⁶⁰ <http://london.kidzania.com/en-uk/>, 10 July 2016
- ⁶¹ <http://london.kidzania.com/en-uk/>, 10 July 2016
- ⁶² www.gov.uk/set-up-free-school, 12 Nov 2014
- ⁶³ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/506718/HMCI_advice_note_MAT_inspections_10_March_2016.pdf
- ⁶⁴ www.publications.parliament.uk/pa/cm201415/cmselect/cmeduc/258/258.pdf, 27 January 2015
- ⁶⁵ see Greany and Scott, 2014 and Benn and Downs, 2015
- ⁶⁶ Pearson were responsible for two instances of leaks in advance of SATS tests in 2016. www.bbc.co.uk/news/uk-36253697, 10 May 2016
- ⁶⁷ This is a process which does not only apply to education, it has also been seen in the Department of Health, where Lord Nash's path as chair of Care UK followed much the same trajectory (see Philips and Whannel, 2013).

⁶⁸ www.iea.org.uk, 19 July, 2012

⁶⁹ www.independent.co.uk > News > Education > Education News, 10 February 2013

⁷⁰ <https://www.gov.uk/government/speeches/nicky-morgan-educational-excellence-everywhere> 17 March 2016

⁷¹ www.bbc.co.uk/news/education-36227570, 6 May 2016

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