



Permanent Secretary

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Meg Hillier
Chair of the Public Accounts Committee
House of Commons
London
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Dear Meg,

**Fifth report of the session 2019-21: University Technical Colleges
Committee Hearing on 16 March 2020**

I am writing to update you on our work in response to the fourth recommendation in your Committee's report on UTCs. This follows the Government's overall response to the Report, which was published on 30 July 2020.

Recommendation 4: The Department should work with UTCs to obtain the information necessary to gain assurance about the value schools are getting from the licence fee they pay to the Baker Dearing Educational Trust, and write to us with its findings within three months.

The Department wrote to the Accounting Officers of all open UTCs¹ to ask for details of the services they receive from the Baker Dearing Educational Trust (BDT) in return for the annual licence fee and how they have assured themselves it represents good value for money. BDT charges an annual licence fee to UTCs in return for the use of the UTC trademark brand and providing a range of resources and services to support UTCs in their delivery. The Department received responses relating to 40 UTCs, an 85% response rate.

Summary

All Accounting Officers were able to identify services offered by BDT. They referred to promotion of the UTC programme, advice in relation to Ofsted inspections, sponsor and employer engagement, and marketing/recruitment. In particular, 94% said that they benefitted from BDT's support networks. Due to the unique nature of UTCs, such as the atypical age range and the curriculum offer, many corroborated that services such as the support networks were unlikely to be available elsewhere. 66% of UTCs stated they benefitted from discounts on a range of services that BDT negotiate on their behalf. Just under a third of Accounting Officers said that they received additional services beyond those expected, with just one UTC stating they did not receive all the expected services.

¹ The Department did not write to Doncaster UTC, as it did not open until September 2020, or those UTCs that closed in August 2020 (South Wiltshire UTC and Wigan UTC).



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Of the respondents, just over three quarters (78%) said that they had assured themselves of the value they receive from the licence fee, primarily through discussions at board or finance committee meetings. Two UTCs raised concerns about the value for money of services received. One questioned the quality of the educational advice, and one UTC felt that they themselves provide substantial support to other UTCs rather than receiving it themselves.

Conclusions

The Department acknowledges the support UTCs receive from BDT, with the majority of respondents feeling that they gained benefits from it. However, we also determined that:

- (a) the level of detail provided by UTCs on services they received varied widely, so that we were unable to determine the extent to which all UTCs understand, or engage with, the services offered by BDT.
- (b) a number of UTCs were unable to reassure us that they have appropriate assurance arrangements in place with respect to the licence payment in terms of value for money. It is important that all academy trusts comply with these requirements.

In addition, the Department must acknowledge that there are a number of UTCs that need to improve their financial performance. We believe that there are areas where a more concentrated focus from BDT could maximise impact across the programme and support individual UTCs in improving their viability. These include:

- supporting UTCs to join strong multi-academy trusts which the Department judges to have the capacity and capability to take on a UTC
- enhancing BDT's support on marketing and recruitment – building on existing work and the recent ministerial roundtable held by Baroness Berridge on sharing good practice

Next steps

In light of the above, the Department will take the following action:

- (i) We will discuss our conclusions with BDT on how best to address the points set out above.
- (ii) We will write to all UTC Accounting Officers setting out their responsibilities in demonstrating value for money in all spending decisions and, where value for money cannot be demonstrated, taking appropriate action.

I hope this update is useful for the Committee.



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Kind regards

Susan Acland-Hood
Permanent Secretary