



National Audit Office

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## **Report**

by the Comptroller  
and Auditor General

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**Department for Education**

# Investigation into university technical colleges

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National Audit Office

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Department for Education

# Investigation into university technical colleges

Report by the Comptroller and Auditor General

Ordered by the House of Commons  
to be printed on 28 October 2019

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National Audit Act 1983 for presentation to the House of  
Commons in accordance with Section 9 of the Act

Gareth Davies  
Comptroller and Auditor General  
National Audit Office

25 October 2019

We have reported previously that university technical colleges (UTCs) have struggled to recruit students and that a number have had financial difficulties. In light of Parliamentary interest in UTCs, this investigation builds on our previous work and sets out the facts about the UTC programme.

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## **Investigations**

We conduct investigations to establish the underlying facts in circumstances where concerns have been raised with us, or in response to intelligence that we have gathered through our wider work.

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# What this investigation is about

**1** University technical colleges (UTCs) are a type of free school in England that focuses on teaching students who are mainly aged 14 to 19. UTCs are publicly funded state schools, independent of local authorities. Each UTC must be part of an academy trust, a charitable company that manages the school's budget and employs the staff. Academy trusts are directly funded by, and accountable to, the Department for Education (the Department), via the Education and Skills Funding Agency. Single-academy trusts have one academy school, while multi-academy trusts bring together groups of academy schools.

**2** In 2010, the government undertook to improve the quality of vocational education, including increasing flexibility for 14- to 19-year-olds and creating new technical academies as part of plans to diversify school provision.<sup>1</sup> The Department supported the establishment of the first UTC in 2010/11 and the government announced its ambitions for UTCs in subsequent budgets.<sup>2</sup> The Department's vision was for employers and universities to work together, with educational experts, to open new institutions to deliver technical education in specialist areas that meets the needs of local employers and the economy.

**3** However, UTCs have faced challenges that have threatened their viability. In December 2016, we reported that the then Education Funding Agency had assessed 22 of 47 UTCs as at risk due to financial concerns.<sup>3</sup> The financial difficulties were caused, at least in part, by the fact that UTCs had fewer students than predicted. In January 2018, we reported again that UTCs had struggled to attract enough students.<sup>4</sup> In light of Parliamentary interest in UTCs, this investigation builds on our previous work and sets out the facts about the UTC programme. It covers:

- introduction to UTCs (Part One);
- progress and financial performance (Part Two);
- educational performance (Part Three); and
- plans for improvement (Part Four).

**4** We conducted our fieldwork between June and September 2019. Appendix One sets out our methods. The investigation does not assess the value for money of the UTC programme.

<sup>1</sup> HM Government, *The Coalition: our programme for government*, May 2010.

<sup>2</sup> In this report, government financial years are written as, for example, '2017-18' and run from 1 April to 31 March; school academic years are written as '2017/18' and run from 1 September to 31 August. Academy trusts report their finances in academic years.

<sup>3</sup> Comptroller and Auditor General, *Financial sustainability of schools*, Session 2016-17, HC 850, National Audit Office, December 2016.

<sup>4</sup> Comptroller and Auditor General, *Delivering STEM (science, technology, engineering and mathematics) skills for the economy*, Session 2017-2019, HC 716, January 2018.

# Summary

## Key findings

### Progress and financial performance

**1 In total 58 university technical colleges (UTCs) have opened but 10 of these subsequently closed as UTCs.** The first UTC, The JCB Academy in Staffordshire, opened in 2010/11; most UTCs opened between 2013/14 and 2016/17. The 48 UTCs open at October 2019 are located across England (**Figure 1** overleaf). Ten UTCs (17% of those that opened) closed between 2014/15 and 2018/19. One of the UTCs that closed converted to a mainstream academy school; the Department for Education (the Department) transferred it and five other UTC sites to other academy trusts, returned one UTC site to the local authority, gifted one UTC site to a university and at the time of our work had not decided what to do with the sites of the two UTCs that closed in 2019 (paragraphs 2.2, 2.16 and 2.17, and Figures 1 and 4).

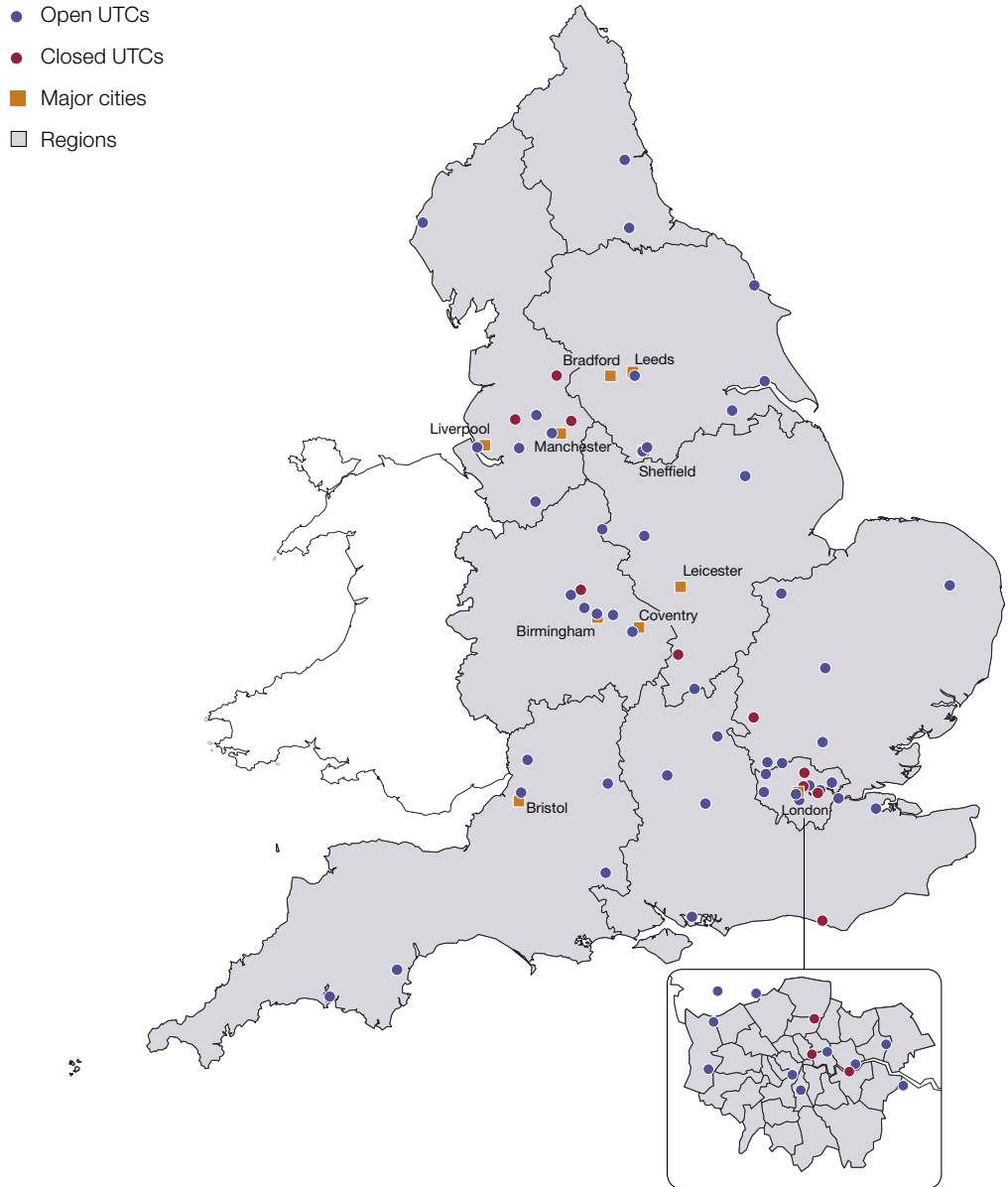
**2 The 48 open UTCs were operating at 45% of capacity on average at January 2019, which has implications for their financial viability.** The core funding that UTCs and other schools receive is mainly based on student numbers. At January 2019 (when data were last collected), the 48 open UTCs had 13,572 students. This represented 45% of their maximum capacity of 29,934. Occupancy rates at individual UTCs ranged from 10% to 101%. The 10 UTCs that closed were around one-quarter full on average in the two years before closure. UTCs tend to recruit students to start GCSE and A level and equivalent courses. As courses typically take two years, it takes time for UTCs to build up their numbers. However, they have also struggled to attract students at age 14, partway through the normal period of secondary education (paragraphs 2.2, 2.5 to 2.7, and Figures 5 to 7).

**3 UTC's revenue deficits have grown and accounted for nearly 10% of the total cumulative revenue deficits reported by all academy trusts in 2017/18.** The total cumulative revenue deficits reported by UTCs grew each year between 2014/15 and 2016/17, but fell in 2017/18 after the closure of four UTCs in single-academy trusts that had all been in deficit. Overall the total cumulative deficits rose from £3.5 million in 2014/15 to £7.7 million in 2017/18, when 14 of the 32 UTC academy trusts reported cumulative revenue deficits. The total of £7.7 million represented 9.9% of the total aggregate cumulative revenue deficit of £78 million for the 195 academy trusts that reported deficits in 2017/18 (paragraphs 2.8 and 2.9, and Figure 8).

### Figure 1

#### Location of university technical colleges (UTCs), October 2019

There are UTCs in all regions of England with concentrations around London, the West Midlands and the North West



#### Notes

- 1 One further UTC, in Doncaster, is due to open in September 2020. Ministers have agreed in principle to close South Wiltshire UTC in August 2020.
- 2 The major cities shown are the top 10 cities by population size.

Source: National Audit Office analysis of Department for Education data and Office for National Statistics data



**4 At July 2019, the Education and Skills Funding Agency (the ESFA) had significant concerns about the finances of 13 UTCs.** Each month, the ESFA compiles a 'national concerns report' to highlight academy trusts of most concern, including UTCs. At July 2019, 13 UTCs in single-academy trusts featured on the national concerns report, 12 due to their financial position and one due to compliance issues (paragraph 2.10 and Figure 9).

**5 The ESFA has formally intervened in eight UTCs, of which two subsequently closed.** Where it has significant concerns, the ESFA may take formal action by issuing the academy trust with a public warning, known as a 'financial notice to improve'. The ESFA has issued financial notices to improve to eight UTCs. At October 2019, four of these notices remained in place; two academy trusts had addressed the issues of concern and the ESFA had lifted the notices; and two UTCs had closed (paragraphs 2.11 and 2.12).

**6 The Department monitors whether students from UTCs that close move to other schools or colleges, but has not retained evidence of where students have been placed.** When a UTC closes, the local authority is responsible for finding alternative places for the students affected. The Department told us that it works with the local authority and the academy trust concerned to find places and monitors progress in the months before closure. To demonstrate its approach, the Department shared with us the information it used to monitor the destinations of students from Wigan UTC, which closed in August 2019. The Department has not retained records of where students from closed UTCs have been placed but told us that alternative places had been found for students who needed them (paragraphs 2.15 and 2.16).

**7 The Department spent £792 million on the UTC programme from 2010-11 to 2018-19, the vast majority in capital grants.** The Department provides capital and revenue funding for new free schools, including UTCs. In addition to the per-pupil funding that UTCs and other schools receive, the Department's spending on UTCs included:

- £680 million (86% of total spending) in capital grants for land, buildings and equipment, including up to £600,000 per UTC for specialist equipment;
- £62 million (8%) in revenue grants before UTCs opened, for example to cover the costs of project management and marketing the new school, and after opening to support UTCs as they built towards capacity;
- £28 million (4%) in transitional revenue funding aimed at improving the financial position of UTCs, for example by reducing their debts;
- £8.8 million (1%) to cover UTC deficits – the Department expects UTCs to repay half of this funding over time;
- £9.0 million (1%) on closing UTCs, including to cover the costs of writing off debts and staff redundancies; and
- £4.5 million (0.6%) on measures to help UTCs to improve (paragraphs 2.4, 2.13, 2.14, 4.4 and 4.13, and Figure 10).<sup>5</sup>

<sup>5</sup> Percentages do not sum to 100 due to rounding.

**8 UTCs pay an annual licence fee to the Baker Dearing Educational Trust (the Trust).**

The Trust, a charity, owns the UTC brand, issues licences to schools wishing to operate as UTCs, checks whether its licence requirements are being met and supports UTCs, for example by facilitating the sharing of good practice. Each UTC pays a fee annually to use the UTC brand and logo and for services from the Trust. The fee increased from £5,500 to £10,000 in 2019/20. The Department also paid £893,000 to the Trust between 2012/13 and 2017/18 to support sponsors planning to open new UTCs (paragraphs 1.5 and 2.4).

### Educational performance

**9 Compared with other secondary schools, a higher proportion of students from UTCs progress into sustained apprenticeships and a lower proportion into education.**

The Department's aim is for UTCs to provide clear progression routes into higher education and employment and it therefore considers that student destinations are important performance measures. The Department's most recent data from 2016/17 show the following for UTCs, compared with state-funded mainstream schools and colleges:

- After GCSEs or equivalent, a higher proportion of UTC students progressed into sustained apprenticeship (9%) and employment (4%) destinations, compared with the national average (5% and 3% respectively).<sup>6</sup> Conversely, a lower proportion progressed to sustained education destinations.
- After A levels or equivalent, 21% of UTC students moved to a sustained apprenticeship, higher than the national average of 6% (including 16% of UTC students who moved to advanced, higher and degree-level apprenticeships, compared with the national average of 3%); 20% moved to sustained employment, compared with the national average of 22%; and 38% went on to higher education, below the national average of 50% (paragraphs 3.1 to 3.4 and Figure 11).

**10 At August 2019, Ofsted had rated 52% of UTCs as good or outstanding, compared with 76% of all secondary schools.**

Of the 44 open UTCs that Ofsted had inspected at August 2019, it had rated two as outstanding, 21 as good, 14 as requires improvement and seven as inadequate. In total, 4,863 students were attending the UTCs rated as inadequate or requires improvement. At August 2018, Ofsted had rated 42% of UTCs as good or outstanding. Ofsted has changed its approach to UTCs in its new inspection framework that inspectors have been using since September 2019. For example, inspectors will pay attention to measures such as students' destinations when they leave UTCs as well as to national performance data (paragraphs 3.7 and 3.8).

<sup>6</sup> To be counted as being in a sustained destination, young people must be recorded as having sustained participation in education, employment or an apprenticeship for a six-month period in the destination year.

**11 UTCs have performed less well than other secondary schools against key measures of performance, but the Department considers that not all its metrics are appropriate for UTCs because of UTCs' technical focus and age range.**

In the main, the Department does not set target levels of performance for schools and the focus is on how well they perform relative to others. In 2017/18, 28% of students in UTCs achieved a grade 5 or above in maths and English GCSE, compared with 44% of students in all state-funded mainstream schools. Similarly, at A level and equivalent qualifications, UTC students' attainment was lower than that of students at other types of education provider. The lower educational outcomes that UTCs have achieved may be partly explained by their student intakes, although this is difficult to test. The Department considers that, because of UTCs' focus on technical education and the fact that their students typically join at age 14, two of its main performance measures (the proportion of students entered in English Baccalaureate courses and 'Progress 8') are not the most appropriate for UTCs, although it continues to report performance data. The Department has not set alternative exam-based measures of educational performance for UTCs but, given UTCs' focus on technical education and skills, considers student destinations a good indicator of performance (paragraphs 3.9 to 3.13).

#### Plans for improvement

**12 The Department is seeking to help UTCs improve their educational and financial performance.** The Department has provided support since the UTC programme started in 2010, initially to individual UTCs and subsequently to the programme as a whole. In September 2017, it began a three-year improvement programme:

- An important part of the Department's approach is to encourage UTCs to join multi-academy trusts, which it considers are well placed to support UTCs to improve. At the time of our work, 19 UTCs were part of multi-academy trusts and the Department expected a further 10 to transfer in 2019/20. The conditions that the Department attaches to transitional revenue funding may include requiring UTCs to join multi-academy trusts.
- The Department is also open to UTCs applying to align their age range more closely with other secondary schools by taking students who are younger than 14, if there is a need for the additional places in the area. It considers that this will make it easier for UTCs to attract students and thereby improve their financial viability. At the time of our work, one UTC was taking pupils from age 11 and the Department had agreed that two further schools could expand in this way from 2020/21; in addition, nine UTCs were recruiting at age 13.

The Baker Dearing Educational Trust was concerned that these developments could dilute the UTC brand, but has now relaxed its licence requirements to allow the changes. In June 2019, the Department and the Trust agreed a memorandum of understanding that sets out key principles and working arrangements between the two bodies (paragraphs 2.13 and 4.1 to 4.10).

**13 The Department has two main measures of success for its three-year improvement programme.** First, for the proportion of UTCs rated as good or outstanding by Ofsted to be the same as for free schools generally; at August 2019, of those schools it had inspected, Ofsted had rated 52% of UTCs as good or outstanding, compared with 84% of free schools. And second, for the proportion of UTCs on the ESFA's national concerns list to be the same as for academies generally (1%); at July 2019, 26% (13) of UTCs were on the national concerns list (paragraph 4.2).

# Part One

## Introduction to university technical colleges

**1.1** University technical colleges (UTCs) are a type of free school in England that focuses on teaching students who are mainly aged 14 to 19. The Department for Education's (the Department's) vision when it launched the UTC programme in 2010 was for employers and universities to work together, with educational experts, to open new institutions to deliver technical education in specialist areas that meets the needs of local employers and the economy.

**1.2** As for all schools, multiple bodies oversee the educational quality, financial management and governance of UTCs (**Figure 2** overleaf). Each UTC is part of a single- or multi-academy trust, overseen by a board of trustees and with a local governing body at school level. The Department and the Education and Skills Funding Agency have teams dedicated to the oversight of UTCs.

**1.3** As part of the Free Schools Programme, UTCs are opened in response to demand, following applications to the Department. While the demand for mainstream free schools comes from groups including parents, teachers and academy trusts, demand for UTCs has come from groups of universities and employers who act as sponsors. The Department expects that nominees of employer and university sponsors will form the majority on each UTC's local governing body.

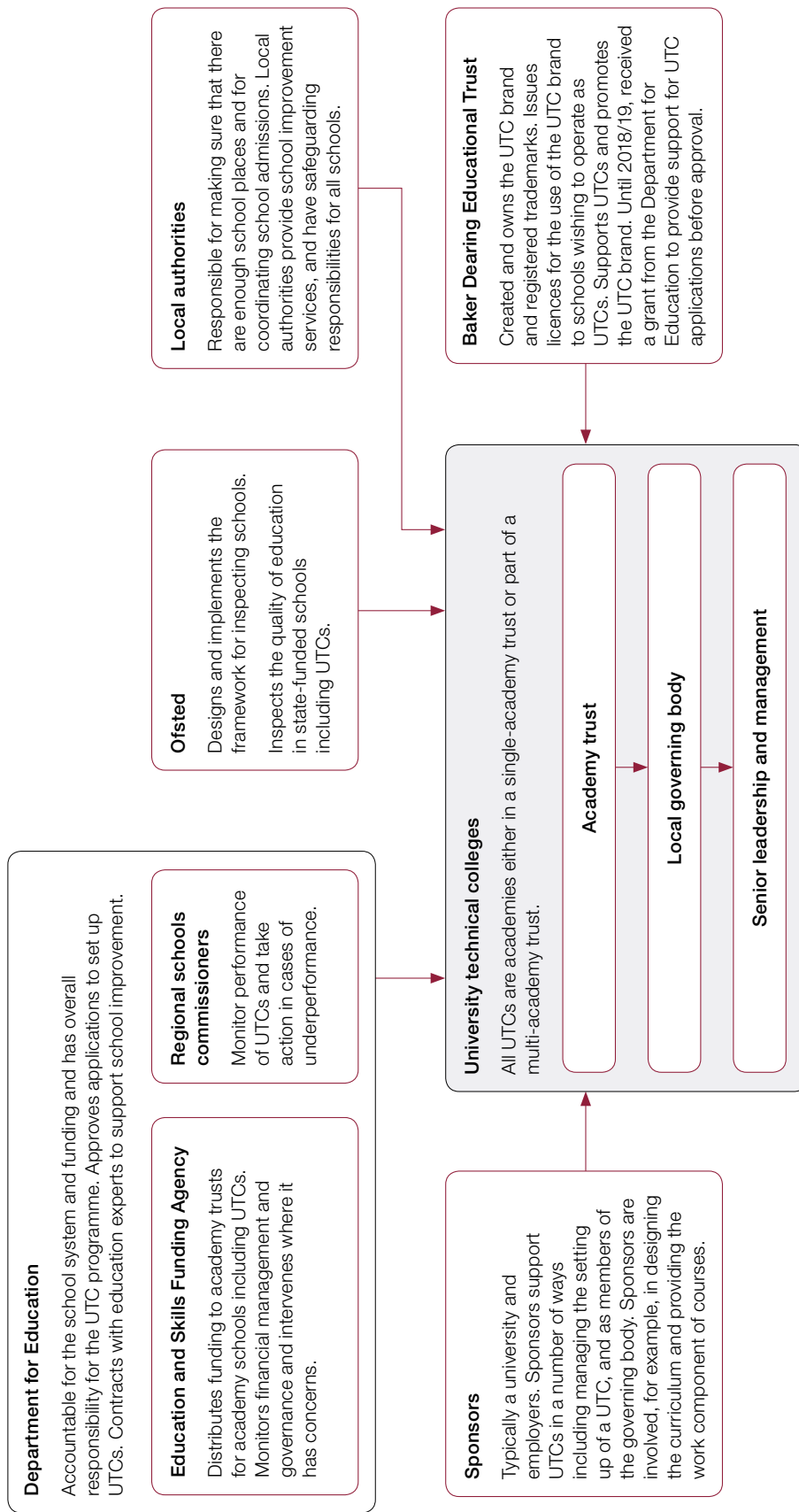
**1.4** Students have typically joined UTCs at age 14, entering their new school in year 10 of their education, to start GCSEs or equivalent qualifications.<sup>7</sup> Students may also join at age 16, in year 12 of their education, to start A levels or equivalent qualifications. Most students at UTCs are boys – at January 2019, 72% of students in UTCs were male, compared with 50% in all secondary academies and free schools.

**1.5** The Baker Dearing Educational Trust (the Trust) is a charity founded by Lord Baker and Lord Dearing in 2010 to promote the concept of UTCs. The Trust helps UTCs prepare for opening and supports open UTCs, for example by providing advice and facilitating the sharing of good practice. The Trust owns the UTC brand, issues licences for use of the brand to schools wishing to operate as UTCs and checks whether its licence requirements are being met. Each UTC pays a fee annually to the Trust for a licence to use the UTC brand and logo and for services from the Trust. The licence fee rose from £5,000 in 2012/13 to £5,500 in 2018/19 and to £10,000 in 2019/20.

<sup>7</sup> Students typically start secondary school in year 7 of their education, at age 11. Teaching of GCSE and equivalent qualifications typically takes place in years 10 and 11, with teaching of A levels and equivalent qualifications in years 12 and 13.

**Figure 2**  
Arrangements for oversight of university technical colleges (UTCs)

A variety of bodies are involved in overseeing UTCs



**Note**

1 Before September 2019, the Department monitored UTCs' performance centrally, rather than through its regional schools commissioners.

# Part Two

## Progress and financial performance

### Number of university technical colleges (UTCs)

**2.1** The government set out its ambitions for the number of UTCs in successive budget statements (**Figure 3**). It also had an ambition to open a UTC “within reach of every city”, which the Department for Education (the Department) reflected in its criteria for assessing applications made by January 2016. The Department did not set targets for the number and location of UTCs.

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#### Figure 3

#### Government ambitions for the university technical college (UTC) programme

##### 2010 Coalition programme for government

“We will improve the quality of vocational education, including increasing flexibility for 14–19 year olds and creating new Technical Academies as part of our plans to diversify schools provision.”

##### 2011 Budget

24 new UTCs by 2014.

##### 2012 Budget

17 more UTCs opening by September 2013.

##### 2013 Budget

30 UTCs expected to be open by September 2014.

##### 2014 Budget

50 UTCs have been approved.

##### 2015 UTC application guide

“We are therefore committed to opening strong and successful UTCs, and to have one within the reach of every city.”

##### Note

<sup>1</sup> The 2015 UTC application guide was for applications made by January 2016.

Source: HM Government, *The Coalition: our programme for government*, May 2010; HM Treasury budget documents 2011, 2012, 2013 and 2014; Department for Education, *University technical colleges: How to apply*, October 2015

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**2.2** At October 2019, 48 UTCs were open across England. In total, 58 UTCs have opened since 2010/11, but 10 of these (17%) have subsequently closed as UTCs (**Figure 4**). The first UTC, The JCB Academy in Staffordshire, opened in 2010/11 and the second, Black Country UTC, in 2011/12. Most UTCs opened between 2013/14 and 2016/17.

**2.3** One further UTC is due to open, in Doncaster, in September 2020; and ministers have agreed in principle to close South Wiltshire UTC in August 2020. The Department is not planning to run any further application rounds for UTCs specifically, but will consider applications for new UTCs as part of the Free Schools Programme.

### **Cost of opening UTCs**

**2.4** The Department provides capital and revenue funding for new free schools, including UTCs. Between 2010-11 and 2018-19, the Department spent £742 million on opening new UTCs. This amount comprised:<sup>8</sup>

- £680 million in capital grants. As for other new state schools, the Department covered the costs of acquiring sites, and constructing and refurbishing buildings for use as UTCs. In addition, for UTCs, the Department provided up to £600,000 per school for specialist equipment needed for technical courses.<sup>9</sup>
- £24 million in revenue grants before UTCs opened to cover costs such as project management, marketing the new school, and recruiting and paying staff.
- £38 million in revenue grants after UTCs opened to help cover the cost of UTCs as they built towards capacity, at which point costs were expected to be fully covered by core per-pupil funding.
- £893,000 in payments to the Baker Dearing Educational Trust to support sponsors planning to open new UTCs.<sup>10</sup>

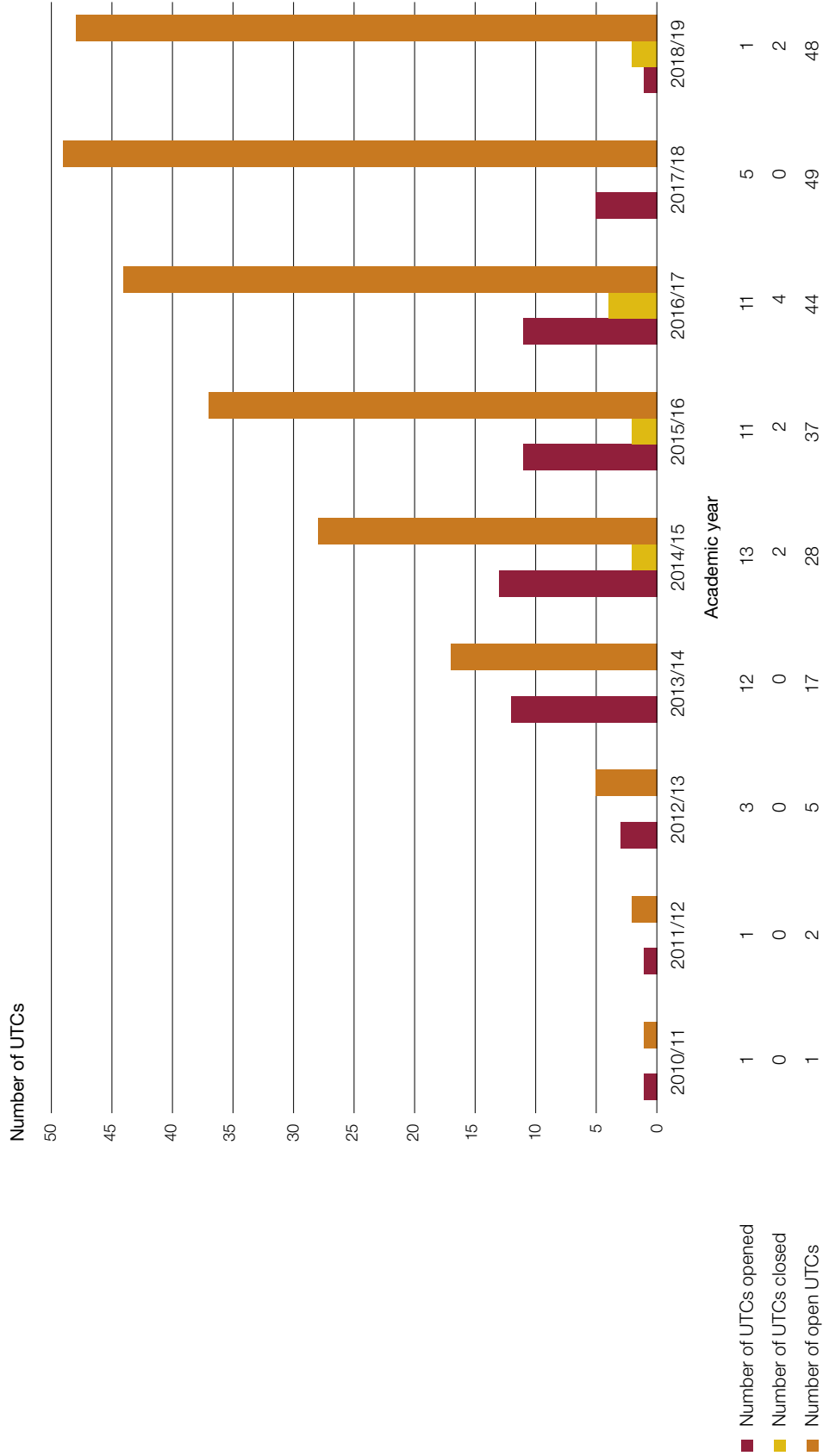
8 Numbers do not sum due to rounding.

9 Up to 2013 the Department provided up to £1 million per UTC for specialist equipment.

10 The Baker Dearing Educational Trust also receives income from other sources such as charitable foundations.



**Figure 4**  
 Number of university technical colleges (UTCs) opened and closed, 2010/11 to 2018/19  
 Since 2010/11, 58 UTCs have opened and 10 of these have closed



**Notes**  
 1 This Figure shows the total number of UTCs open at the end of each academic year, and the number that opened and closed during each academic year.  
 2 UTCs usually open at the start of the academic year in September, and close at the end of the academic year in August.

## Financial viability

### Student numbers

**2.5** The Department funds state-funded schools through grants, which it distributes through a funding formula. The amount that each school receives is mainly determined by the number of students.

**2.6** We have reported previously that UTCs have struggled to recruit enough students to be financially viable.<sup>11</sup> At January 2019 (when data were last collected), the 48 open UTCs had 13,572 students in total. This represented 45% of their combined maximum capacity of 29,934. Occupancy rates at individual UTCs ranged from 10% to 101% of maximum capacity (**Figure 5**).

**2.7** The two longest-standing open UTCs, which date from 2010/11 and 2012/13, were 96% and 101% occupied respectively. On average, UTCs that have opened since 2014/15 were less than half full (**Figure 6** on page 18). UTCs tend to recruit students in year 10 to start GCSE courses and in year 12 to start A level courses. These courses typically take two years, so UTCs take time to build up their student numbers. However, UTCs have also struggled to attract enough students at age 14, partway through the normal period of secondary education. Occupancy rates at the 10 UTCs that have closed were low, averaging between 23% and 26% in the two years before closure (**Figure 7** on page 19).

### Financial position

**2.8** A significant proportion of UTC academy trusts have reported in-year and cumulative revenue deficits each year (**Figure 8** on page 19). The total cumulative revenue deficits grew each year between 2014/15 and 2016/17, but fell in 2017/18 after the closure of four UTCs in single-academy trusts that had all been in deficit.

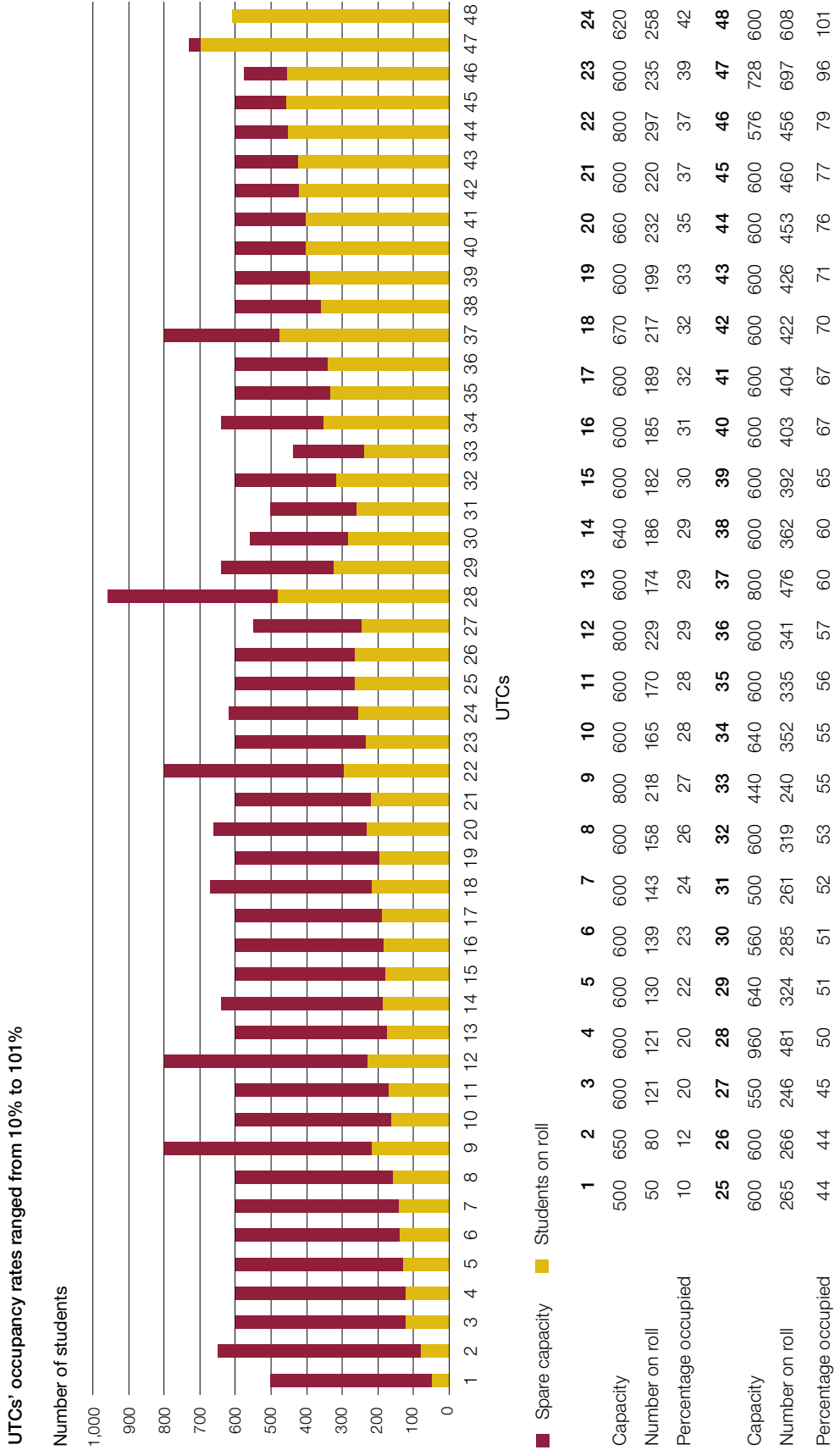
**2.9** In 2017/18, 14 of the 32 UTC academy trusts reported cumulative revenue deficits totalling £7.7 million. This represented 9.9% of the total aggregate cumulative revenue deficit of £78 million for the 195 academy trusts that reported cumulative deficits in that year.<sup>12,13</sup> For 2019/20, 13 UTCs in single-academy trusts forecast in-year deficits totalling £2.9 million and 18 forecast cumulative deficits totalling £11.2 million.

11 Comptroller and Auditor General, *Financial sustainability of schools*, Session 2016-17, HC 850, National Audit Office, December 2016; and Comptroller and Auditor General, *Delivering STEM (science, technology, engineering and mathematics) skills for the economy*, Session 2017-2019, HC 716, National Audit Office, January 2018.

12 Department for Education, *Academy schools sector in England: Consolidated annual report and accounts for the year ended 31 August 2018*, Session 2017-2019, HC 2377, July 2019.

13 Some academy trusts inherit cash balances from maintained schools that convert to academies. Other academy trusts, including UTC and other free school academy trusts, start with no cash balances.

**Figure 5**  
Capacity and number of students on roll at January 2019 by university technical college (UTC)



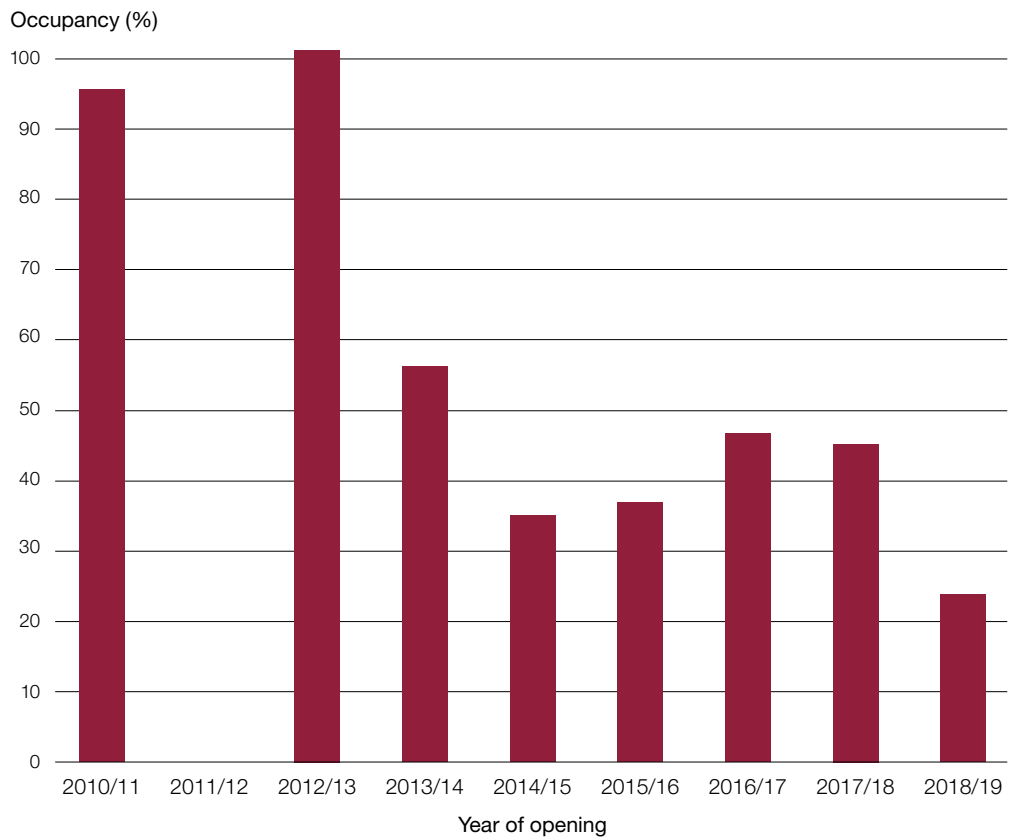
**Notes**

- 1 This Figure shows, for each open UTC, the number of students on roll at January 2019 (from the Department for Education's school census) and the capacity at the end of August 2019 (from *Get information about schools* (<https://get-information-schools.service.gov.uk>), accessed August 2019).
- 2 UTCs are shown in ascending order of percentage occupancy.

**Figure 6**

Average occupancy rates at January 2019 by university technical colleges' (UTCs') year of opening

UTCs that have opened since 2014/15 were less than half full on average



■ Percentage occupancy	96	–	101	56	35	37	47	45	24
Number of UTCs opened	1	0	1	8	11	10	11	5	1

**Notes**

- 1 This Figure shows the average occupancy of the 48 UTCs open at October 2019 by year of opening.
- 2 The number of students on roll at January 2019 is taken from the Department for Education's school census, and capacity is taken from *Get information about schools* (<https://get-information-schools.service.gov.uk>), accessed August 2019.

Source: National Audit Office analysis of Department for Education data

**Figure 7**

## Average occupancy rates at the university technical colleges (UTCs) that closed

## Average occupancy rates at the UTCs that closed were low

Date	Average occupancy (and range) of the 10 closed UTCs
January in the year of closure	18% (4% – 43%)
January one year before closure	26% (15% – 61%)
January two years before closure	23% (9% – 47%)

**Note**

- 1 The number of students on roll and therefore the occupancy rate may drop because students may leave as the UTC nears closure.

Source: National Audit Office analysis of Department for Education data

**Figure 8**

## University technical colleges' (UTCs') revenue surpluses and deficits, 2014/15 to 2017/18

## The cumulative revenue deficits reported by UTCs rose in total and on average between 2014/15 and 2016/17

Academic year	2014/15		2015/16		2016/17		2017/18	
	Cumulative	In year	Cumulative	In year	Cumulative	In year	Cumulative	
Total for UTCs in deficit	-£3,457,919	-£6,614,873	-£8,052,534	-£2,960,220	-£9,443,336	-£4,849,487	-£7,744,898	
Total for UTCs in surplus	£1,579,229	£1,787,369	£1,737,158	£3,619,692	£4,386,453	£2,049,082	£5,049,325	
<b>Net position</b>	<b>-£1,878,690</b>	<b>-£4,827,504</b>	<b>-£6,315,376</b>	<b>£659,472</b>	<b>-£5,056,883</b>	<b>-£2,800,405</b>	<b>-£2,695,573</b>	
Number of UTCs in deficit	9	17	15	15	17	20	14	
Number of UTCs in surplus	10	10	12	18	16	12	18	
Percentage of UTCs in deficit	47%	63%	56%	45%	52%	63%	44%	
Percentage of UTCs in surplus	53%	37%	44%	55%	48%	38%	56%	
Average deficit	-£430,990	-£398,492	-£557,395	-£197,348	-£588,271	-£242,474	-£553,207	
Average surplus	£157,923	£178,737	£144,763	£200,100	£274,153	£167,553	£286,725	

**Notes**

- 1 This Figure presents revenue surpluses and deficits for UTCs, from their year of opening, at the end of each academic year (31 August). It includes all single-academy trusts and two multi-academy trusts which both comprise two UTCs.
- 2 Comparable information is not available for UTCs that are part of multi-academy trusts that also include mainstream academy schools.
- 3 Percentages may not sum to 100 due to rounding.

Source: National Audit Office analysis of university technical colleges' accounts and information from the Department for Education

## Financial oversight and intervention

**2.10** Each month, the Education and Skills Funding Agency (the ESFA) compiles a ‘national concerns report’ to highlight academy trusts of most concern, including UTCs. The ESFA uses a framework to judge the level of financial risk and inform its decisions about whether and how to intervene. At July 2019, the ESFA had significant concerns about 13 UTCs (26%) in single-academy trusts, 12 due to their financial position and one due to compliance issues (**Figure 9**). This was an improvement on the position at September 2018 when there were 15 UTCs on the national concerns report. At July 2019, the ESFA also had significant concerns about the financial position of one of the multi-academy trusts that includes UTCs.

### Figure 9

University technical colleges (UTCs) on the Education and Skills Funding Agency’s national concerns report at July 2019

At July 2019, 13 UTCs were on the national concerns report, 12 due to significant financial concerns

Nature of concern	Description of concern	Number of UTCs of significant concern
Financial – deficit	Actual or predicted cumulative deficit is greater than 5% of the current year’s income, with no agreed recovery plan or evidence that the academy trust is not adhering to its payment plan.	2
Financial – projected deficit		5
Financial – viability	Clawback of funding due to over-estimating pupil numbers exceeds 30% of the academy trust’s core school grant with no agreed repayment plan in place. The Education and Skills Funding Agency concludes that clawback is unaffordable and the financial viability of the trust is a concern.	5
Compliance	Can include: the academy trust not submitting financial returns or other continued failure to comply with the Academies Financial Handbook; the accounts have an ‘adverse opinion’ or ‘disclaimer of opinion’ recorded by the external auditor.	1
<b>Total</b>		<b>13</b>

#### Note

- 1 Other categories of concern in the Education and Skills Funding Agency’s framework, but not currently attributed to any UTCs, include governance, executive pay and related-party transactions.

Source: National Audit Office analysis of Education and Skills Funding Agency information

**2.11** The ESFA adopts a phased approach to intervening with UTCs and other academy trusts. This starts with discussions with the UTCs concerned as part of the process of assessing risk. The ESFA may, depending on the severity of the issues identified, then work with the UTC to improve performance, direct the academy trust to make specific changes, or take more formal action such as a public warning, known as a 'financial notice to improve'. Any academy trust reporting a cumulative deficit must agree a recovery plan with the ESFA.<sup>14</sup> In the most serious cases, the ESFA can take legal action and terminate a UTC's funding agreement.

**2.12** The ESFA has issued financial notices to improve to eight UTCs. At October 2019, four of these notices remained in place – one had been in place since March 2017 and three since spring 2018. Of the other four cases: two academy trusts had addressed the issues of concern and the ESFA had lifted the notices to improve; and two UTCs had closed.

**2.13** In addition, the Department, through the ESFA, has provided extra funding intended to support UTCs' financial position (**Figure 10** overleaf):

- The ESFA has provided some academy trusts, including UTCs, with funding to address budget deficits. It negotiates the terms of such funding case by case, with the aim of recovering as much of the money as possible. Between 2015-16 and 2018-19, the ESFA provided £8.8 million to 18 UTCs. It expects the UTCs to repay half of this amount (£4.4 million) over a period agreed with each UTC. At June 2019, nine UTCs owed a total of £4.4 million.
- Since 2016-17, all UTCs have received transitional funding to improve their financial position, normally paid in annual instalments of £200,000. The Department attaches conditions to this funding aimed at improving educational outcomes and financial stability, for example that the UTC must: join a multi-academy trust; provide evidence of improvement to its governing body; or work with external advisers to review finance and governance. Transitional funding is not available to other schools.<sup>15</sup> In the first instance, the Department has used this funding to reduce UTCs' debts. In the three years 2016-17 to 2018-19, the Department used £11.7 million (42%) of transitional funding for this purpose.

<sup>14</sup> Education and Skills Funding Agency, *Guidance: Academy trust deficit recovery*, March 2019.

<sup>15</sup> In 2017-18, the Department provided £600,000 in transitional funding to one school that is not a UTC but which has the same characteristics as UTCs, such as the curriculum.

**Figure 10**

Funding to support university technical colleges' (UTCs') financial position, 2015-16 to 2018-19

The Department has provided £36.8 million to support UTCs' financial position

	2015-16	2016-17	2017-18	2018-19	Total
Transitional funding	£0	£9,000,000	£9,400,000	£9,600,000	£28,000,000
Deficit funding (non-recoverable)	£50,000	£362,000	£1,664,453	£2,295,000	£4,371,453
Deficit funding (recoverable)	£0	£1,386,500	£1,358,000	£1,693,000	£4,437,500
<b>Total</b>	<b>£50,000</b>	<b>£10,748,500</b>	<b>£12,422,453</b>	<b>£13,588,000</b>	<b>£36,808,953</b>

**Note**

1 Transitional funding has been paid to all UTCs.

Source: National Audit Office analysis of Department for Education and Education and Skills Funding Agency data

**Closure of UTCs**

**2.14** The Department has overseen the closure of 10 UTCs. In two of these cases, the Baker Dearing Educational Trust withdrew the school's licence to operate as a UTC (see paragraph 4.8). The Department told us that, in all cases, the closures were agreed with the academy trust concerned. The cost to the Department of closing a UTC depends on the circumstances. Between 2015-16 and 2018-19, the Department spent £9.0 million in total:

- £8.3 million on costs such as writing off debt, staff redundancies and placing students in other schools; and
- £0.7 million on other grants earmarked for specific purposes associated with a closure.

**2.15** When a UTC closes, the local authority is responsible for finding alternative places for the students affected. The Department told us that it works with the local authority and the academy trust concerned to find places and monitors the placement of students in the months before the UTC closes. The Department may also provide additional funding, for example to pay for transport to an alternative school. We asked the Department for evidence that places were found for students from closed UTCs. By way of example, the Department shared with us the information that it had been using to monitor the destinations of students from Wigan UTC, which closed in August 2019. The Department has not retained records of where students from closed UTCs have been placed.



**2.16** In response to our investigation, the Department analysed the destinations of students from three UTCs that have closed (Black Country UTC, Daventry UTC and Greater Manchester UTC) using data from the school census and individual learner records, but could not draw definitive conclusions from that work. Of the seven UTCs that closed but were not covered by its analysis, the Department told us that:

- Hackney UTC, UTC Lancashire, UTC Tottenham and UTC@harbourside were closed at a time when all students had finished their courses;
- Royal Greenwich UTC was converted to a mainstream academy, which offered places to all the UTC's students;
- UTC Central Bedfordshire did not recruit students younger than 16 in the year before it closed. Bedford College, a sponsor of the UTC, offered all year 12 pupils a place to continue their courses; and
- the academy trust and the local authority identified alternative places for students from Wigan UTC.

**2.17** The Department told us that the eight UTCs that closed before 2019 occupied their land and buildings under long-term 'peppercorn leases' with their academy trusts. The Department's funding agreement with academy trusts provides for land and buildings to transfer to the Department in the event that the funding agreement is terminated. The Department advised us that it returned the site of Black Country UTC to the local authority and gifted the site of UTC Lancashire to the University of Central Lancashire under a 50-year lease (a gift valued at £10.3 million in the Department's accounts after deducting a premium of £1 million). It transferred the other six UTC sites to other academy trusts. At the time of our work, the Department had not decided what would happen to the sites of the two UTCs that closed in 2019.

## Part Three

### Educational performance

**3.1** University technical colleges (UTCs) provide technical courses and work-related learning, combined with academic studies so that students receive a rounded education. The Department for Education's (the Department's) objectives for UTCs are to:

- provide clear progression routes into higher education and employment;
- help fill local and national skills gaps; and
- provide high-quality technical education.

**3.2** The Department has not carried out quantitative analysis to assess whether UTCs are helping to fill local and national skills gaps, partly because it would be difficult to assess the impact of UTCs specifically. This part of the report therefore covers the Department's objectives for progression routes from UTCs, measured through student destinations, and the quality of education at UTCs, measured through Ofsted inspections and educational outcomes.

#### Student destinations

**3.3** The Department considers that, as UTCs typically start educating young people at age 14 with a focus on preparing them for their future careers, student destinations after leaving UTCs are important measures of performance.

**3.4** The Department's most recent data from 2016/17 show the following (**Figure 11**):

- After GCSEs or equivalent, a higher proportion of UTC students progressed into sustained apprenticeship (9%) and employment (4%) destinations than the national average (5% and 3% respectively). Conversely, a lower proportion progressed to sustained education destinations.
- After A levels or equivalent, 21% of UTC students moved to a sustained apprenticeship, compared with the national average of 6% (including 16% of UTC students who moved to advanced, higher and degree-level apprenticeships, compared with the national average of 3%).<sup>16</sup> In addition, 20% of UTC students moved to sustained employment, compared with the national average of 22%, and 38% of UTC students went into higher education, below the national average of 50%.

<sup>16</sup> Apprenticeships are available at a range of levels: intermediate (equivalent to GCSEs); advanced (equivalent to A levels); and higher (equivalent to diplomas, certificates and degrees).

**Figure 11**  
Sustained destinations of university technical colleges' (UTCs) students after GCSEs, A levels and equivalents, 2016/17  
A higher proportion of students from UTCs were in sustained apprenticeships after GCSEs, A levels and equivalents, compared with all state-funded mainstream schools and colleges

After Key Stage 4 (GCSEs and equivalent)

Number of schools or colleges	Number of students	Proportion of students in:					No data		
		Any sustained education, apprenticeship or employment	Sustained education	Sustained apprenticeships		Sustained employment			
				Total	Of which intermediate (level 2)			Of which advanced or higher (level 3 and above)	
All state-funded mainstream schools and colleges	530,545	94%	86%	5%	4%	1%	3%	5%	1%
UTCs	1,865	92%	80%	9%	6%	3%	4%	6%	1%

After Key Stage 5 (A levels and equivalent)

Number of schools or colleges	Number of students	Proportion of students in:					No data		
		Any sustained education, apprenticeship or employment	Sustained education	Sustained apprenticeships		Sustained employment			
				Total	Of which intermediate (level 2)			Of which advanced (level 3)	Of which higher and degree level (level 4 and above)
All state-funded mainstream schools and colleges	372,255	89%	61%	6%	3%	3%	–	22%	4%
UTCs	1,315	88%	47%	21%	5%	13%	3%	8%	4%

**Notes**

- 1 These data show the percentage of students progressing to destinations in 2016/17 who completed Key Stage 4 and Key Stage 5 in 2015/16.
- 2 To be counted as being in a sustained destination, young people must have been recorded as being in continuous education or employment between October 2016 and March 2017 or spending at least six consecutive months in an apprenticeship at any point in the year.

Source: Department for Education data, *Destinations of Key Stage 4 and Key Stage 5 pupils: 2017* (last updated October 2018)

**3.5** The Baker Dearing Educational Trust collects data from UTCs on the initial destinations of students as they leave UTCs. While not indicating whether the destinations have been sustained, the Trust found that, in 2018, after A levels or equivalent:

- 27% of UTC students started apprenticeships, compared with the national average of 6%. Just over half of these apprenticeships were at a higher or degree level (level 4 and above), compared with about 10% nationally;
- 47% of UTC students started higher education, compared with the national average of 50%. Of these, 81% started STEM-related courses, compared with 46% nationally; and
- 3% of UTC students were recorded as having no known destination, compared with 8% nationally.

### Inspection outcomes

**3.6** Like all state-funded schools, UTCs are inspected by Ofsted. Between 2012/13 and 2018/19, Ofsted carried out 60 inspections of UTCs (**Figure 12**). Eleven UTCs were inspected more than once during the period.

**3.7** At August 2019, of the 44 open UTCs that it had inspected, Ofsted had rated two (5%) as outstanding, 21 (48%) as good, 14 (32%) as requires improvement and seven (16%) as inadequate.<sup>17,18</sup> Overall it had rated 52% of UTCs as good or outstanding, compared with 76% of all secondary schools. In total, 4,863 students were attending the UTCs rated as requires improvement or inadequate.<sup>19</sup> At August 2018, of the 33 open UTCs that it had inspected, Ofsted had rated 14 (42%) as good or outstanding. However, given the relatively small number of UTCs and the changes in the population over time, the changes in inspection outcomes should be used with caution.

**3.8** Ofsted has changed its approach to UTCs in its new inspection framework that inspectors have been using since September 2019. The framework notes that there are some schools, including UTCs, that start and stop at non-standard ages for pupils, so Ofsted will take national expectations into account differently. The framework states that inspectors will still use national performance data as a starting point for inspection. However, they will take account of limitations in the data (see paragraph 3.10) and pay attention to other measures, such as students' destinations when they leave UTCs.<sup>20</sup>

<sup>17</sup> Percentages do not sum to 100 due to rounding.

<sup>18</sup> Where an open school has not yet been inspected in its current form, Ofsted keeps the inspection outcomes of the predecessor school where applicable to give a more comprehensive view of the sector.

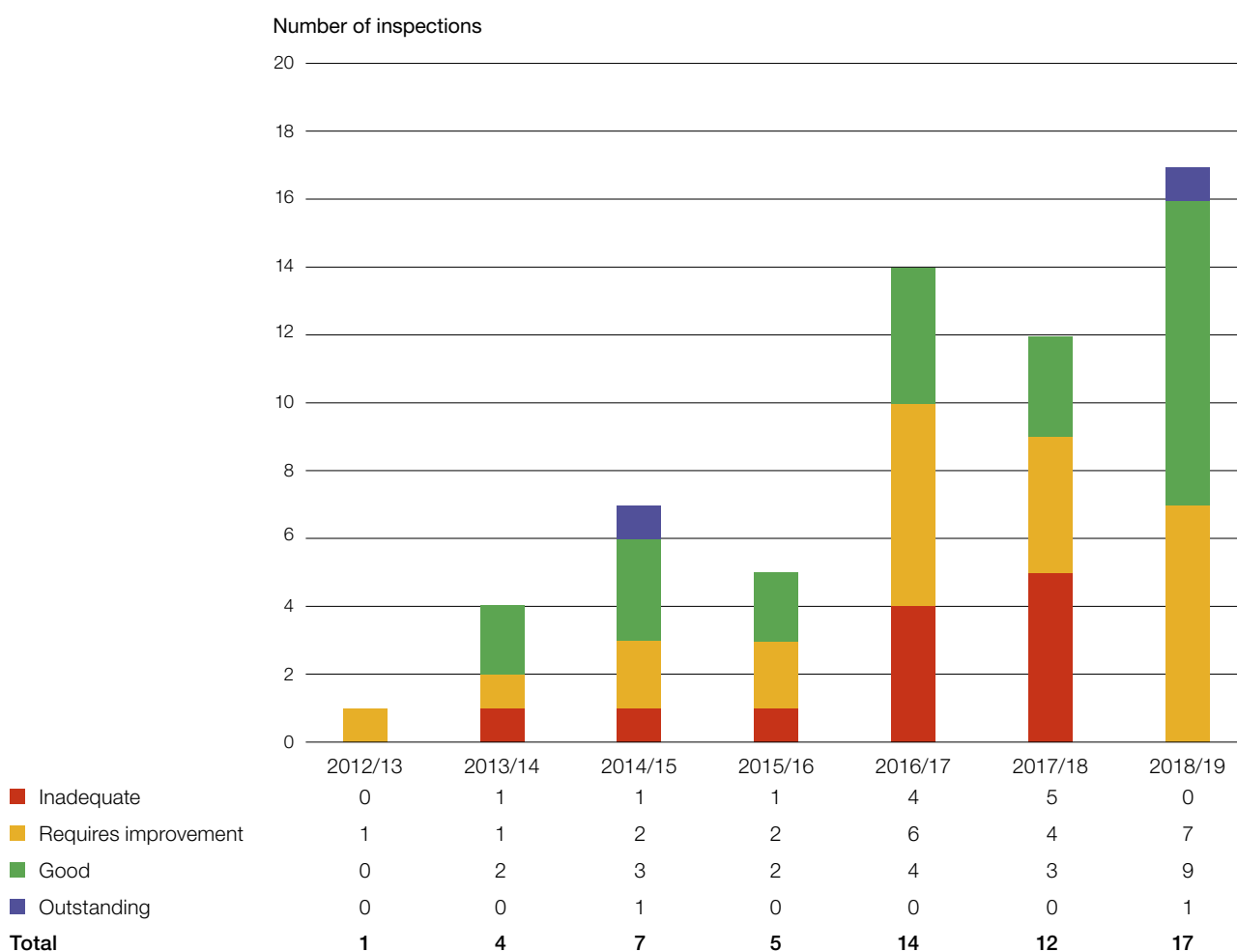
<sup>19</sup> Using data from the Department for Education's *January 2019 school census*, published July 2019.

<sup>20</sup> Ofsted, *School inspection handbook*, May 2019, updated September 2019.

**Figure 12**

Ofsted's inspections of university technical colleges (UTCs) by Ofsted rating, 2012/13 to 2018/19

In 2018/19, Ofsted rated 10 UTCs as good or outstanding

**Note**

1 This Figure shows the number of Ofsted inspections of UTCs. It includes inspections of UTCs that subsequently closed.

Source: National Audit Office analysis of Ofsted data

## Educational outcomes

**3.9** Through its accountability framework for secondary schools, the Department aims to encourage schools to offer a balanced curriculum and to inform government, parents and other stakeholders about school performance.<sup>21</sup> In the main, the Department does not set target levels of performance and the focus is on how well schools perform relative to others. Data are presented in comparative form and cover student destinations as well as attainment and progress measures. The Department considers that some of its secondary school metrics are not appropriate for UTCs because of UTCs' technical focus and age range, although it continues to report performance data. It has not specified alternative exam-based measures of educational outcomes for UTCs.

**3.10** UTCs have performed less well than other schools against three of the main measures of performance at GCSE level and equivalent:

- **The percentage of pupils achieving a grade 5 (strong pass) or above in maths and English GCSE**

The Department introduced this measure in 2016/17. In both 2016/17 and 2017/18, 28% of students in UTCs achieved a grade 5 or above in maths and English, compared with 44% of students in all state-funded mainstream schools.

- **The percentage of pupils entered for the English Baccalaureate**

To enter the English Baccalaureate, pupils must take up to eight GCSEs across five defined subject areas. The level of entry at UTCs has been low compared with other state-funded schools. After peaking at 15% in 2016/17, in 2017/18, UTCs entered 6% of students in relevant courses. This compared with 39% of students in all state-funded schools.

However, the Department does not expect UTCs to enter the same levels of students in English Baccalaureate courses, because UTCs provide specialist technical education that is not included in the Baccalaureate. It has therefore excluded UTCs from its ambition for 75% of secondary school students to start to study the English Baccalaureate courses by 2022/23 and 90% by 2025/26.<sup>22</sup>

- **'Progress 8'**

This measures the relative progress that students make in eight subjects between the end of primary school and the fifth year of secondary school. In 2016/17 and 2017/18, students in UTCs achieved lower Progress 8 scores than students in other types of mainstream state-funded school.<sup>23</sup> However, the Department does not regard Progress 8 as the most appropriate performance metric for UTCs. This is because students typically join a UTC at age 14, partway through the five-year period covered by the measure.

21 Department for Education, *Secondary accountability measures: Guide for maintained secondary schools, academies and free schools*, October 2019.

22 Department for Education, *Implementing the English Baccalaureate - Government consultation response*, July 2017.

23 Department for Education, *Key Stage 4 and multi-academy trust performance 2018 (revised)*, June 2019.

**3.11** UTCs have also generally performed less well than other schools against key measures of performance at A level, but have performed better than other providers in respect of applied general qualifications and GCSE resits:<sup>24,25</sup>

- **Progress in English and maths**

This measure covers the average change of grade, after resitting exams, for students who had not achieved GCSE grades 9 to 4 or A\* to C by the end of the fifth year of secondary school. In 2017/18, the average performance of UTC students was above that for students in all state-funded schools and colleges combined.

- **Student attainment measured by qualification and performance points (expressed as an average points score)**

In 2017/18, A level and academic students in UTCs achieved the lowest average points score of all state-funded school types. For technical qualifications, the average points score for students in UTCs (30.41) was below that for state-funded schools (31.49) and above that for state-funded colleges (25.60). For applied general qualifications, the average points score for students in UTCs (29.94) was above that for both state-funded schools (29.09) and colleges (26.25).

- **'Value added'**

This measures the relative progress that students make between the fifth and seventh years of secondary school. In 2017/18, A level and academic students in UTCs achieved the lowest value-added score of all types of state-funded education provider. The value-added score for applied general students in UTCs was above average.

<sup>24</sup> Department for Education, *A level and other 16 to 18 results: 2017 to 2018 (revised)*, January 2019.

<sup>25</sup> The Department defines applied general qualifications as being at the same level as A levels that allow 16- to 19-year-old students to develop transferable knowledge and skills through applied learning. Technical qualifications are also at the same level as A levels, are recognised by employers and are for students aged 16 and over who want to specialise in a specific industry or prepare for a particular job.

**3.12** The lower educational outcomes that UTCs have achieved may be partly explained by their student intakes, although this is difficult to test, as there is no formal assessment of performance between pupils' leaving primary school and joining a UTC at age 14. The Education Policy Institute reported in October 2018 that research had found that UTCs' student intakes are similar to other institutions in terms of economic disadvantage (as measured by eligibility for free school meals) and prior attainment at the end of primary school.<sup>26</sup> At January 2019, 15.3% of students in UTCs had special educational needs, compared with 12.4% in all state-funded secondary schools.<sup>27</sup>

**3.13** Our analysis indicates that, of the 44 Ofsted inspection reports on open UTCs, 21 commented on the student intakes. The reports referred to instability, poor attendance and exclusion experienced by the students in previous schools, and some noted students' poor achievement and levels of knowledge before they joined the UTC. Some inspection reports also acknowledged the extent to which the UTC had provided a second chance for students, helping them to re-engage with education. Analysis by the National Foundation for Educational Research in 2017 found that absence rates were significantly higher for future UTC students during year 9 at the schools they previously attended, compared with their peers.<sup>28</sup>

<sup>26</sup> Education Policy Institute, *UTCs: are they delivering for young people and the economy?*, October 2018.

<sup>27</sup> Data from the Department for Education's *January 2019 school census*, published July 2019.

<sup>28</sup> National Foundation for Educational Research, *University Technical Colleges: Beneath the Headlines*, June 2017.



# Part Four

## Plans for improvement

**4.1** The Department for Education (the Department) has provided support to the university technical college (UTC) programme since it started in 2010. Initially, it supported individual UTCs depending on their needs. In 2015, the Department undertook a review to determine the best way to address poor educational and financial performance across the UTC programme. This resulted in several measures, including the introduction of transitional funding (see paragraph 2.13) and a duty for local authorities to raise awareness of schools with an atypical age range (see paragraph 4.11). The Department and the Education and Skills Funding Agency (the ESFA) also set up teams dedicated to overseeing UTCs.

**4.2** In September 2017, the Department started a three-year programme of work to improve the educational and financial performance of UTCs. It has two main measures of success for the programme:

- for the proportion of UTCs rated as good or outstanding by Ofsted to be the same as for free schools generally – at August 2019, as a proportion of schools inspected, Ofsted had rated 52% of UTCs as good or outstanding, compared with 84% of free schools;<sup>29</sup> and
- for the proportion of UTCs on the ESFA's national concerns list to be the same as for academies generally – at July 2019, 26% (13) of UTCs were in this position, compared with 1% of academy trusts.

### Joining multi-academy trusts

**4.3** An important part of the Department's approach is to encourage UTCs to join multi-academy trusts, which it considers are well placed to support them to improve. The Department typically requires a UTC to join a multi-academy trust as a condition of transitional funding. It regards multi-academy trusts as a means of encouraging formal collaboration between schools, both to improve educational standards and to secure efficiencies and economies of scale.

<sup>29</sup> The inspection outcomes for free schools are at March 2019.

**4.4** At the time of our work, 19 UTCs were part of multi-academy trusts: 12 had opened as part of a multi-academy trust and seven had transferred later. The Department expects a further 10 UTCs to join multi-academy trusts in 2019/20. The Department spent £2.3 million between 2014-15 and 2018-19 to support the transfer of UTCs to multi-academy trusts.

**4.5** The Baker Dearing Educational Trust (the Trust) was concerned that being part of a multi-academy trust could dilute the UTC brand. The Trust withdrew support for two schools to be UTCs before they opened because they wanted to be part of multi-academy trusts; both schools subsequently opened as mainstream academies.

**4.6** In June 2019, the Department agreed a memorandum of understanding with the Trust that sets out key principles and working arrangements between the two bodies.<sup>30</sup> The memorandum notes that the Department and the Trust share the belief that, in most cases, membership of a strong multi-academy trust is an important way to help UTCs succeed. The Department expects that the multi-academy trust into which a UTC transfers will understand and support the particular ethos of the UTC and will be committed to safeguarding this; and that nominees of the UTC's employer and university sponsors will form the majority on the UTC's local governing body.

### **Increasing student numbers**

**4.7** The Department is also open to UTCs applying to extend their age range by taking students who are younger than 14, if there is a need for the additional places in the area. Its view is that aligning UTCs with other secondary schools in this way would make it easier for UTCs to attract students and thereby improve their financial viability.

**4.8** The Trust was also concerned that changing the age range could dilute the UTC brand. The Trust withdrew licences in 2017 from two UTCs, UTC Tottenham and Royal Greenwich UTC, because they wanted to change the age range of their students; both schools subsequently became mainstream academies. In September 2018, the Trust relaxed its licensing conditions to allow UTCs to take students from age 11.

**4.9** In applying to the Department to extend their age range, UTCs must demonstrate: that there is a need for additional school places locally and the UTC has the support of its local authority; that the academy trust can support the expansion of the UTC; evidence of good-quality leadership and education; that there is room to expand; and that the school can be financially viable.

**4.10** At the time of our work, Leigh UTC in Dartford had expanded to take pupils from age 11, with 270 pupils in years seven and eight in 2018/19, and nine UTCs were recruiting students at age 13. In addition, the Department has approved two UTCs to expand their age range to 11 to 19 in 2020/21.

<sup>30</sup> Department for Education, *Memorandum of understanding between Baker Dearing Educational Trust and the Department for Education*, June 2019.

**4.11** The Department has also acted to improve students' awareness of their options. Since February 2017 local authorities have had a statutory duty to write to parents of prospective pupils about schools in their local area with atypical points of admission that they are able to apply to.<sup>31</sup> In addition, since January 2018 schools have had a statutory duty (known as the 'Baker clause') to give education and training providers, including UTCs, access to pupils aged 13 to 18 to inform them about technical education qualifications and apprenticeships.<sup>32</sup> Schools must also publish a policy statement to explain how this access will take place.

**4.12** In January 2019, the Institute for Public Policy Research reported that 37.6% of schools had published a provider access statement and 70.1% of technical education providers had found it difficult to access schools in their area.<sup>33</sup> In response, the Department publicised schools' statutory duties, including through ministers writing to local authorities. Ministers also wrote to five multi-academy trusts asking them to publish their provider access arrangements and to three individual schools in response to allegations of non-compliance.

### **Other support**

**4.13** The Department provides a range of other support to UTCs. For example, the ESFA sent school resource management advisers to 34 UTCs, at an estimated cost of £77,000 in 2018-19, to advise on financial management and the potential for savings. In addition, between 2016-17 and 2018-19, the Department spent £682,000 on experts to advise on how to improve UTCs' educational quality. It has also funded support for UTCs from teaching schools, to improve educational quality, at a cost of £1.5 million.<sup>34</sup>

<sup>31</sup> The School Information (England) (Amendment) Regulations 2017.

<sup>32</sup> Technical and Further Education Act 2017.

<sup>33</sup> Institute for Public Policy Research, *The Baker clause: One year on*, January 2019.

<sup>34</sup> Teaching schools lead networks of schools in their local areas to provide high-quality training and support for school improvement.

# Appendix One

## Our investigative approach

### Scope

1 University technical colleges (UTCs) have faced challenges that have threatened their viability. In December 2016, we reported that the then Education Funding Agency had assessed 22 of 47 UTCs as at risk due to financial concerns. The financial difficulties were caused, at least in part, by the fact that UTCs had fewer students than predicted. In January 2018, we reported again that UTCs had struggled to attract enough students. In light of Parliamentary interest in UTCs, this investigation builds on our previous work and sets out the facts about the UTC programme. It covers:

- introduction to UTCs (Part One);
- progress and financial performance (Part Two);
- educational performance (Part Three); and
- plans for improvement (Part Four).

### Methods

2 As this was an investigation aimed at setting out the facts and carried out over a short timescale, it was based heavily on available information. We drew on a variety of evidence sources:

- **We interviewed staff from the Department for Education (the Department), the Education and Skills Funding Agency (the ESFA) and Ofsted** to understand progress with the UTC programme, how UTCs are overseen and inspected, and what the Department is doing to improve UTCs.

- **We reviewed published and unpublished information**, including the following:
  - The Department's documents and internal management information concerning its oversight of UTCs and the UTC programme, its assessments of progress and its plans for improvement.
  - The ESFA's documents and internal management information concerning the grants it provides to UTCs and its oversight of the financial management of UTCs.
  - Ofsted's published inspection framework and inspection handbook, to understand how it approaches the inspection of UTCs. We also analysed Ofsted's inspection reports for evidence about UTCs' student intakes.
  - Reports published by the Education Policy Institute and the National Foundation for Educational Research.
- **We analysed data from the Department, the ESFA and Ofsted**, including the following:
  - Financial data on the Department's spending on UTCs and the financial health of UTCs including in-year and cumulative revenue deficits over time.
  - National statistics on school and pupil numbers, for example to analyse the capacity of UTCs and number of students on roll.
  - Ofsted's published statistics and management information on inspection outcomes.
- **We visited three UTCs** to gain an insight into the context within which UTCs are operating: South Bank Engineering UTC, The Leigh UTC and UTC Sheffield City Centre.
- **We interviewed the Baker Dearing Educational Trust** and reviewed material that the Trust provided.

# Appendix Two

## List of university technical colleges

### Figure 13

#### List of university technical colleges (UTCs)

##### Open UTCs (48) as at October 2019<sup>1</sup>

Aldridge UTC@MediaCityUK	Global Academy	Sir Simon Milton Westminster UTC	UTC Plymouth
Aston University Engineering Academy	Greater Peterborough UTC	South Bank Engineering UTC	UTC Portsmouth
BMAT STEM Academy	Health Futures UTC	South Devon UTC	UTC Reading
Bristol Technology & Engineering Academy	Lincoln UTC	South Wiltshire UTC	UTC Sheffield City Centre
Bucks UTC	Liverpool Life Sciences UTC	The JCB Academy	UTC Sheffield Olympic Legacy Park
Cambridge Academy for Science & Technology	London Design & Engineering UTC	The Leigh UTC	UTC South Durham
Crewe Engineering and Design UTC	Mulberry UTC	The Watford UTC	UTC Swindon
Derby Manufacturing UTC	North East Futures UTC	University Technical College Norfolk	UTC Warrington
Elstree UTC	Ron Dearing UTC	UTC Bolton	Waterfront UTC
Elutec Academy of Design and Engineering	Scarborough UTC	UTC Heathrow	West Midlands UTC
Energy Coast UTC	SGS Berkeley Green UTC	UTC Leeds	WMG Academy Coventry
Engineering UTC Northern Lincolnshire	Silverstone UTC	UTC Oxfordshire	WMG Academy Solihull

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**Figure 13** *continued*

## List of university technical colleges (UTCs)

**Closed UTCs (10) as at October 2019<sup>2</sup>**

Black Country UTC	UTC Central Bedfordshire
Daventry UTC	UTC Lancashire
Greater Manchester UTC	UTC Tottenham <sup>3</sup>
Hackney UTC	UTC@harbourside
Royal Greenwich UTC <sup>3</sup>	Wigan UTC

**Notes**

- 1 Doncaster UTC is due to open in September 2020.
- 2 Ministers have agreed in principle to close South Wiltshire UTC in August 2020.
- 3 The Baker Dearing Educational Trust withdrew the licences to operate as a UTC from Royal Greenwich UTC (which converted to a mainstream academy school) and UTC Tottenham (which is now a sixth-form free school).

Source: Department for Education

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