



Department
for Education



Education & Skills
Funding Agency

Provider funding for the delivery of T Levels

**Government consultation response
Equality Assessment**

June 2019

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The proposed approach to funding

This document considers the proposals outlined in the T Levels funding consultation for the distribution of funding to providers from 2020/21 for the delivery of T Levels (available [here](#)).

The proposals cover the following areas:

- Funding bands and hours
- Allocating T Level pathways to funding bands
- Funding maths and English at Level 2
- Funding Industry Placements for students on T Levels
- Formula factors
- The local offer

This impact assessment considers the possible differential impacts of these proposals on groups sharing the protected characteristics defined in the Equality Act 2010.

The public sector equality duty

The Equality Act 2010 identifies the following as protected characteristics for the purpose of the public-sector equality duty:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership
- Pregnancy and maternity
- Race (including ethnicity)
- Religion or belief
- Sex
- Sexual orientation

Under Section 149 of the Equality Act 2010, the Secretary of State has a duty to have due regard to the need to:

- a. eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010
- b. advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it, in particular the need to:
 - i. remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic

- ii. take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it
- iii. encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low
- c. foster good relations between persons who share a relevant protected characteristic and persons who do not share it, in particular the need to:
 - i. tackle prejudice
 - ii. promote understanding

Summary of proposals

Funding bands and hours / allocating T Level pathways to funding bands

We plan to uplift funding rates to reflect the additional hours required by T Levels – with the hourly rate calculated on the same basis as the funding rate for current 16 to 19 study programmes. We plan to have a number of new funding bands to reflect the new larger qualifications and each pathway will be placed in one of the bands depending on its size. This includes funding for 18 year olds at the same rate as for 16 and 17-year olds – this is because unlike other study programmes the hours required for the technical qualifications will be fixed, and 18-year olds will need the same amount of funded time to achieve them as other students.

Funding Industry Placements for students on T Levels

We are proposing to fund Industry Placements for students on T Levels at a set rate of around £550. We intend to provide half the funding in the first year and half in the second i.e. around £275 a year. We plan to make the second year's funding conditional on the placement taking place, but we won't introduce this condition immediately.

Funding Maths and English at Level 2

Those students who do not hold a GCSE grade 4 (or above) or a level 2 Functional Skills qualification in their maths and or English by the start of their T Level, will need to continue studying these subjects as part of their T Level programme to achieve the minimum exit requirement. We plan to provide additional funding for this on top of the hours needed for the T Level itself. We plan to provide a one-off payment of £750 per student for each subject (during the first year of their T Level programme) to cover their maths and / or English needs over the two years of their programme.

Formula factors

In the Government response to the wider T Level consultation we confirmed our intention to build on the current arrangements for distributing funding for T Levels rather than design a new funding system. Consequently we intend to adjust the current formula so that it covers T Levels as well as existing programmes.

For the early delivery of T Levels, in the absence of student data, we expect to calculate student numbers using a combination of data from students on equivalent predecessor programmes and provider estimates of numbers. We expect to revert to a lagged system for student numbers when it is possible to do this using previous years' data.

The following will apply to T Levels:

- a. A continuation of the current arrangements for student retention within the funding formula.
- b. The application of programme costs weights to the higher T Levels funding bands so that in keeping with current arrangements, courses that are more expensive to deliver receive additional funding.
- c. An increase in disadvantage funding for T Level students including for Industry Placements to reflect the fact that T Levels will be more demanding and have more hours than other study programmes.
- d. A large programme uplift payment for students on T Level programmes who are doing an A Level alongside. As currently applies to large study programmes, payment will be triggered where the student achieves a minimum grade in both their A Level and their T Level.

The local offer

Providers will be expected to have due regard to the skills analysis and any local plans or strategies published by the Skills Advisory Panel (SAP) so as to ensure as far as possible that the T Levels they offer meet local needs.

Key student cohort

T Levels are a level 3 programme of education and as in our previous assessments of the T Level reforms, and for the purposes of this analysis, we have defined the group most likely to be affected by T Level reforms as those who currently study level 3 (L3) vocational qualifications in post-16 education (excluding apprenticeships) at academic ages 16 to 18. The proposals for T Levels funding will have the greatest impact on this group of students when considered in the context of the general population and therefore this impact assessment looks at the impact on those with protected characteristics in this particular cohort.

Annex A provides a summary of statistics for the cohort of 16 to 18 year old students in the academic year 2017/18 – the group most likely to take T Levels is highlighted in each table.

The data shows that 18% of all students had a L3 vocational qualification as their highest study aim (see table 1). Slightly more male than female students had a L3 vocational qualification as their highest aim (153,900 and 149,900 respectively); this reflects the pattern for the 16 to 18 cohort as a whole (table 2).

The data shows that a greater proportion of students studying a L3 vocational course have special educational needs (which we are using as a proxy for those with a

disability), including those both with and without Education, Health and Care Plan (ECHP), than is the case for L3 academic programmes or apprenticeships.

In terms of race / ethnicity, the overwhelming majority of students on a L3 vocational qualification programme are those who consider themselves in a “White Summary Ethnic Group” – this group represents 77% of all students with a L3 vocational qualification highest study aim. The next largest groups are “Asian” and “Black” Summary Ethnic Groups – 9% and 6% respectively (table 5). The proportions of each ethnic group for L3 vocational qualifications are very similar to the proportions in the total student cohort.

Although not a protected characteristic for the purposes of the Public Sector Equality Duty (PSED), we have also considered the impact on students who are considered to be disadvantaged, using eligibility for free school meals (FSM) as a proxy for this. Around 14% of all students who had a L3 vocational qualification as a highest study aim are eligible for free school meals (FSM). This represents 43,000 students and is the same as the proportion of students eligible for FSM in the total 16 to 18 cohort (table 4).

[Published attainment data](#) for 2017/18 (published on 24th January 2019) shows that attainment in level 2 maths and English at the end of key stage 4 for the following groups of students is below that of the overall population (64.2%) - boys (60.5%); disadvantaged students¹ (44.5%); students with SEN (25.8%); white students (63.9%); and black students (59.8%). These groups of students are therefore more likely to be positively affected by the additional funding for maths and English.

Equalities impact assessment

Our assessment is that the proposed methodology for distributing T Level funding, set out in the Government Response, will have a positive impact on all young people aged 16 to 18 years who choose to study a T Level. Students taking T Levels will benefit from a high-quality study programme, designed by employers and others to prepare them for skilled employment.

The proposals do not provide a negative differential impact to any groups who share protected characteristics. **Note:** there is a difference in funding to providers in relation to 18 year olds, dealt with below. Some groups who share protected characteristics such as those with Special Education Needs or Disability (SEND) - which we are using as a proxy for those with a disability - will however have a proportionately greater positive impact. We believe that these positive impacts are likely to lead to a reduction in discrimination, to better equality of opportunity and to good relations between those who share a protected characteristic and those who do not.

¹ Disadvantaged students include those known to be eligible for FSM; looked after children for at least one day; children adopted from care.

The general consensus amongst respondents to the funding consultation was that while any existing inequalities would not be remedied by the funding proposals, no additional adverse impact was likely.

The proportion of students who share protected characteristics (including females and males, students in each ethnic group, SEND students) and students eligible for FSMs, who are likely to take T Levels is broadly the same as the proportion of these students in the overall 16 to 18 student population. We expect the additional funding for T Levels to have a proportionately beneficial impact on students who take them.

Age

For the first two years T Levels will be available to students aged 16 to 18 years only. The proposals set out in the Government response to the funding consultation will have a positive impact on all T Levels students in this age group, including those who share protected characteristics.

The proposed funding rate for 18 year olds taking a T Level programme is the same as that for 16 and 17 year olds. This is different to the funding policy for 18 year olds on other 16 to 19 study programmes who are funded at a lower rate (and receive fewer hours of learning). The 14% of 18 year olds likely to take T Levels will benefit from the additional T Levels funding in the same way as their 16 and 17 year old peers, and they will also benefit from this policy relative to the 5% of 18 year olds on other level 3 academic study programmes who attract lower funding than their 16 and 17 year peers. This will also apply to students who share protected characteristics as the proportion of students at age 18 likely to take T Levels is higher in all ethnic groups (except for Chinese students) than the proportion taking a level 3 academic programme at that age – it is also higher for SEND students and for both males and females.

It is important that 18 year olds on T Level programmes receive the same funding and hours of learning as their 16 and 17 year old peers because the hours required for the T Level Technical Qualifications will be fixed, and 18 year olds will need the same amount of funded time to achieve threshold competence as other students. This is in contrast to other study programmes for 18 year olds which can be adjusted to fit within the lower number of funded hours for that age group, and because these students will already have had two years of education therefore needing less of some interventions. We consider that our current position for funding other study programmes does not have any particular impacts on those sharing protected characteristics. Ministers however continue to keep funding for other study programmes under review.

Respondents to the funding consultation welcomed the parity of funding for 18-year olds and agreed that this is important especially for those who need longer to prepare for level 3 qualifications. Several respondents suggested that the same approach should be applied to other study programmes however, this is an issue for the Spending Review.

Adult students (those aged 19+) will not be able to take a T Level in the first two years of delivery and will not benefit from the more generous T Level offer. However, this

differential impact on older students is temporary as separate arrangements will be developed for adult students in due course.

Disability

As we expect a greater proportion of students who take level 3 vocational programmes to have SEND (which we use as a proxy for disability) than is the case for level 3 academic programmes and apprenticeships, we expect the extra funding available for T Levels to have a relatively greater positive impact on SEND students than on other students.

Respondents to the funding consultation raised questions on the availability of additional funding to support SEND students. They also suggested that the Industry Placements could be structured in a different way so as to remove perceived barriers to this group of students.

With respect to additional support for this group of students, we will proceed with our proposal to increase disadvantage funding for T Level students, although in response to feedback from the consultation we have now extended disadvantage block 2 to cover Industry Placements as well. The purpose of disadvantage funding is to help attract, retain and support disadvantaged students and those with learning difficulties and disabilities. The proposed increase in this funding will have a positive impact on T Level students with a disability as well as those from disadvantaged backgrounds. As mentioned on page 6, attainment in level 2 maths and English for SEN students is below the national average (25.8% and 64.2% respectively). We are also proceeding with our proposal to provide additional funding for maths and English and this will have a positive impact on these students.

We have also introduced a number of flexibilities to the T Level programme aimed at supporting students with SEN or a disability. While it is not a result of the funding consultation, we did confirm in the T Level Action Plan 2018 (published in December 2018), that the flexibilities that exist for some apprentices with SEND in relation to maths and English will be extended to T Level students. This means that the maths and English exit requirement for some T Level students with SEND will be Entry Level 3 in Functional Skills. As for apprenticeships, a number of conditions will need to be satisfied, including that the student has either an existing or previously issued EHC plan, a statement of special educational need (SEN) or a learning difficulty assessment (LDA), and that the provider holds an evidenced assessment that the student is not able to study these subjects at level 2. This will impact positively on this group of students.

On 19th May 2019, and taking into account the responses to the funding consultation, we announced a set of new models and approaches for the completion of Industry Placements (in particular for students with special educational needs and disabilities); this announcement [is available on gov.uk](#). We consider that these changes will enhance equality of opportunity and foster good relations between those who share the protected characteristic of disability and those who do not as it will enable more SEND students to be supported to attend Industry Placements along with their peers. They should also address some of the concerns expressed by a number of respondents (to the T Level funding consultation) that it would be more helpful for SEND students if Industry

Placements were structured in a different way. The new models and approaches will, for example, enable some students with an Autism Spectrum Disorder (ASD) to undertake their placement in a single block 45-60 day placement given they may require more stability. For others it might allow local work supported by a mentor to form the initial part of their placement to get them used to using public transport travelling shorter distances before then allowing them to travel longer distances to a different employer. This approach of a series of one or two shorter engagements would also reassure employers because they are only required to make a small commitment, thereby reducing the perceived risk of taking on a young person with special needs. This may also help increase the pool of employers able and willing to provide Industry Placements for students with SEND.

As is currently the case for study programmes, students with an education, health and care (EHC) plan will be funded for their T Level until the age of 25 and therefore will have longer to reach Level 3.

Funding will be available for T Level students who have high levels of special educational need from elements 2 and 3 of the Department's high needs budget. Reflecting on comments we received as part of the funding consultation, we are looking carefully at how we can ensure students with SEN or a disability are able to access T Level programmes.

Sex

Slightly more males than females are likely to benefit positively from these proposals because they are more likely to take up a T Level (see table 2) on the basis that more males had a L3 vocational qualification as their highest study aim in 2017/18. However this reflects the pattern for the 16 to 18 cohort as a whole (table 2) and T Levels are therefore unlikely to have a proportionately greater impact on males or females in this respect.

Males are more likely to benefit from the additional funding for maths and English – their attainment in level 2 maths and English at 60.5% is below the overall population (64.2%) and that for females of 68.1% (see page 6).

Race (including ethnicity)

While race and ethnicity are not factors in the funding formula, the majority of students likely to be affected by T Level reforms identify themselves in a "White Summary Ethnic Group" – this group is therefore likely to benefit most from these proposals at this time. However, as T Levels are further developed, they will offer a high quality technical alternative to A Levels and participation by other groups is likely to increase.

Overall, the proportions of each ethnic group for L3 vocational qualifications are very similar to the proportions in the total student cohort; T Levels are therefore unlikely to have a proportionately greater impact on individuals identifying as being from specific ethnic groups. A negative impact might be possible if it is easier to deliver T Levels in certain geographical areas due to access to Industry Placements. This may have

differential impacts on those who share the protected characteristic of race if individuals identifying with a specific racial or ethnic group are disproportionately represented in some areas. The Department intends to do all it can to ensure that there is equal access to T Levels across the country when they are being delivered in steady state, subject to the need to take into account local skills needs.

Black students are more likely to benefit from the additional funding for maths and English – their attainment in level 2 maths and English at 59.8% is below the overall population (64.2%) (see page 6).

Respondents to the funding consultation called for more consideration around cultural awareness, particularly in relation to the view of some cultures around the appropriateness and benefit of students working alongside adults. This is primarily a matter for providers as part of their employer engagement and we will look at updating our guidance for them to reflect this. We are also aware that there may be some cultural barriers inhibiting young people from travelling even reasonable distances to Industry Placements. We will look to identify good and imaginative practice to address this and [made an announcement](#) on 19th May which sets out our next steps.

Gender reassignment; marriage and civil partnership; pregnancy and maternity; religion or belief and sexual orientation

These characteristics are not reflected in any way in the funding methodology. Students who share these characteristics who take a T Level programme will benefit from the additional T Level funding and we do not expect any differential impact on those sharing these protected characteristics.

Annex A: Data Tables

Table 1: All students

	All			
	16	17	18	16-18
Academic L3	244,800	230,600	25,900	501,200
L3 Apprenticeship	8,900	20,200	37,800	66,900
Vocational L3	95,900	130,000	78,000	303,900
Level 2	111,700	59,800	33,300	204,800
L2 Apprenticeship	19,600	31,400	33,400	84,500
Below L2	38,200	22,800	19,600	80,600
Not Participating in FE	22,200	57,400	337,300	416,800
Total	541,300	552,200	565,300	1,658,800

Table 2: Student split by gender

Number of 16-18 learners in 2017/18 by highest study aim and gender

	Female				Male			
	16	17	18	16-18	16	17	18	16-18
Academic L3	136,000	129,100	13,300	278,400	108,800	101,500	12,600	222,800
L3 Apprenticeship	2,300	8,000	15,200	25,400	6,600	12,300	22,600	41,500
Vocational L3	47,500	63,900	38,600	149,900	48,500	66,100	39,400	153,900
Level 2	48,500	22,900	13,300	84,800	63,200	36,900	20,000	120,100
L2 Apprenticeship	8,600	12,900	13,800	35,300	11,100	18,500	19,600	49,200
Below L2	12,300	7,700	7,200	27,300	25,900	15,100	12,400	53,400
Not Participating in FE	8,800	24,400	173,500	206,700	13,400	33,000	163,700	210,100
Total	263,900	268,900	275,000	807,800	277,300	283,400	290,300	851,000

Table 3: Students split by SEN

Number of 16-18 learners in 2017/18 by highest study aim and SEN status at academic age 15

	No SEN				SEN - no Statement				SEN - Statement			
	16	17	18	16-18	16	17	18	16-18	16	17	18	16-18
Academic L3	233,400	219,600	23,700	476,700	10,100	9,600	1,800	21,500	1,300	1,400	400	3,100
L3 Apprenticeship	8,100	18,400	33,900	60,500	700	1,700	3,600	6,000	~	200	300	500
Vocational L3	85,500	113,000	63,300	261,800	9,100	14,500	12,200	35,800	1,300	2,400	2,600	6,300
Level 2	82,400	39,200	20,600	142,200	22,800	15,200	8,800	46,900	6,400	5,400	3,900	15,800
L2 Apprenticeship	16,400	26,100	27,500	69,900	2,900	4,800	5,300	13,000	300	500	700	1,500
Below L2	16,700	7,800	7,200	31,700	9,800	5,200	3,900	19,000	11,700	9,900	8,400	30,000
Not Participating in FE	15,300	41,300	290,700	347,300	5,000	12,500	38,500	56,000	1,900	3,600	8,000	13,500
Total	457,900	465,300	466,900	1,390,100	60,400	63,500	74,200	198,100	23,000	23,400	24,200	70,600

Table 4: Student split by Free School Meals eligibility

Number of 16-18 learners in 2017/18 by highest study aim and eligibility for free school meals at academic age 15

	Not Eligible for FSM				Eligible for FSM			
	16	17	18	16-18	16	17	18	16-18
Academic L3	226,900	214,600	22,900	464,500	17,800	16,000	3,000	36,800
L3 Apprenticeship	8,300	18,500	34,800	61,600	600	1,700	3,100	5,300
Vocational L3	83,600	111,900	65,200	260,700	12,300	18,100	12,800	43,200
Level 2	88,300	44,700	24,600	157,600	23,400	15,100	8,700	47,200
L2 Apprenticeship	17,300	27,600	29,200	74,100	2,300	3,800	4,300	10,300
Below L2	26,300	15,200	13,500	55,000	11,900	7,700	6,000	25,700
Not Participating in FE	16,900	43,600	294,900	355,400	5,300	13,800	42,300	61,400
Total	467,700	476,100	485,100	1,428,900	73,600	76,200	80,200	229,900

Table 5: Student split by ethnicity (1/3)

Number of 16-18 learners in 2017/18 by highest study aim and summary ethnic group

Row Labels	White summary ethnic group				Mixed summary ethnic group				Black summary ethnic group			
	16	17	18	16-18	16	17	18	16-18	16	17	18	16-18
Academic L3	180,300	171,200	15,800	367,300	11,600	10,500	1,400	23,500	13,600	12,700	2,200	28,600
L3 Apprenticeship	7,900	18,200	34,000	60,000	300	600	1,000	2,000	300	500	800	1,600
Vocational L3	75,700	100,200	58,200	234,100	4,100	5,500	3,500	13,100	5,500	8,600	5,600	19,700
Level 2	86,800	46,800	25,500	159,100	5,100	2,600	1,400	9,100	6,400	3,400	2,100	11,900
L2 Apprenticeship	18,400	29,100	30,400	77,900	500	800	900	2,300	100	300	600	1,100
Below L2	30,200	17,600	14,900	62,700	1,700	1,000	900	3,600	2,000	1,300	1,300	4,600
Not Participating in FE	17,600	48,800	268,700	335,200	1,100	2,500	14,100	17,600	800	1,700	15,300	17,900
Total	416,900	432,000	447,500	1,296,300	24,400	23,600	23,200	71,200	28,800	28,700	27,900	85,400

Table 5: Student split by ethnicity (2/3)

Number of 16-18 learners in 2017/18 by highest study aim and summary ethnic group

	Asian summary ethnic group				Chinese				Any Other Ethnic Group			
	16	17	18	16-18	16	17	18	16-18	16	17	18	16-18
Academic L3	30,600	28,200	5,100	63,900	1,500	1,600	300	3,400	4,400	4,100	800	9,300
L3 Apprenticeship	200	700	1,600	2,500	~	~	~	~	~	100	200	300
Vocational L3	8,100	12,300	8,200	28,600	200	300	200	600	1,300	2,000	1,400	4,600
Level 2	9,700	5,200	3,200	18,100	200	100	100	300	1,800	1,000	600	3,300
L2 Apprenticeship	300	800	1,100	2,200	~	~	~	~	~	100	100	200
Below L2	2,900	2,000	1,700	6,600	100	~	100	200	700	500	300	1,500
Not Participating in FE	1,600	2,700	29,200	33,500	100	100	1,400	1,600	400	700	4,600	5,800
Total	53,500	51,800	50,100	155,400	2,000	2,000	2,100	6,100	8,700	8,400	8,000	25,100

Table 5: Student split by ethnicity (3/3)

Number of 16-18 learners in 2017/18 by highest study aim and summary ethnic group

Row Labels	Refused_not obtained			16-18
	16	17	18	
Academic L3	2,700	2,200	300	5,300
L3 Apprenticeship	100	100	300	500
Vocational L3	1,000	1,200	900	3,100
Level 2	1,600	800	500	2,900
L2 Apprenticeship	200	300	300	800
Below L2	700	400	300	1,400
Not Participating in FE	600	900	3,900	5,300
Total	7,000	5,800	6,500	19,300



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