



Department  
for Education



Education & Skills  
Funding Agency

# **Provider funding for the delivery of T Levels**

**Government consultation response**

**June 2019**

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## Foreword by the Minister of State for Apprenticeships and Skills

The introduction of T Levels is a once in a lifetime opportunity to raise the profile and the quality of technical education. I want to make sure that technical education is on a par with our world class A Levels, and T Levels are absolutely central to that.

Our proposals for T Levels will change the delivery and perception of technical education. By providing students with access to high-quality technical education including substantial industry placements, T Levels will now be a prestigious alternative to the academic route for 16 to 19 year olds. We are also reviewing post 16 qualifications at Level 3 and below to streamline the number of qualifications available, and to ensure that we only fund high quality qualifications that have a clear and distinct purpose. T Levels are key to making sure that young people have the technical skills they need to progress into skilled, rewarding and well paid employment as well as providing our economy with the workforce it needs.

We are making a significant investment in technical education to ensure that T Levels can be delivered successfully. As well as investment in capital and extra funding to help teachers and leaders prepare for the introduction of T Levels, we have set aside an additional £500 million a year for delivery once these programmes are fully rolled out. Our consultation has set out how we intend to use this additional funding to deliver the extra hours of provision and provide for the higher cost courses as well as the necessary support for disadvantaged students and for industry placements.

We want to continue working with the post-16 education sector to transform technical education and so I am delighted that so many schools, colleges and other stakeholders were able to respond to this consultation. We have used the responses to develop our proposals and I am pleased to say that, on the whole, there was support for what we plan to do. However, I do recognise that many respondents are concerned about the funding rates proposed for T Levels, and about the level of funding for 16 to 19 education more generally. I know that there are cost pressures within the sector and the financial position is difficult. We are providing additional funding for T Levels but I appreciate that this is not the answer to all of the challenges that providers face. We are actively considering the funding and resilience of the FE sector, and are assessing how far the current funding and regulatory structures support the delivery of high quality, world-class, provision. This is not the place to respond to all of the issues that were raised in response to this consultation but we will be taking account of the evidence presented against other government priorities as we move forward toward the Spending Review.

Thank you for your contributions to the consultation, and we will continue to work with you to help realise our ambition of building a world class technical education system.

The Rt Hon Anne Milton MP, Minister of State for Apprenticeships and Skills.

## Introduction

The government wants to make sure we have a technical education system that rivals the best in the world and this is a core part of the government's ambitious Industrial Strategy. T Levels are central to the reformed technical education system. They will be rigorous, classroom-based, technical study programmes at level 3, designed to support entry to skilled employment in technical occupations at level 3 and above.

In May 2018, the government presented its response to a broad consultation on the implementation of T Levels. That consultation included a number of questions about how these new programmes should be funded and, following feedback, we confirmed that we would hold a separate consultation to consider the detailed funding arrangements.

We subsequently ran this public consultation between 27 November 2018 and 19 February 2019 to seek views on our proposals for funding T Levels. We published the consultation online alongside a survey for respondents to complete. We received 146 responses and held in December 2018, two consultation events which were attended by providers who will be delivering T Levels in 2020 as well as representative associations. This document summarises the feedback we received, and sets out the government's response. In doing so it confirms how the additional funding for the delivery of T Levels, announced in the 2017 Spring Budget, will be distributed.

We have outlined below the main findings from the consultation and the responses received. We have then gone on to consider in detail the responses we received to each of the questions we asked in the consultation and what we propose to do in light of this.

A detailed summary of the analysis of responses to the consultation by Pye Tait Consulting is included in Annex A. We have also set out some important next steps that will be taking place as we prepare for the teaching of the first 3 T Levels in September 2020.

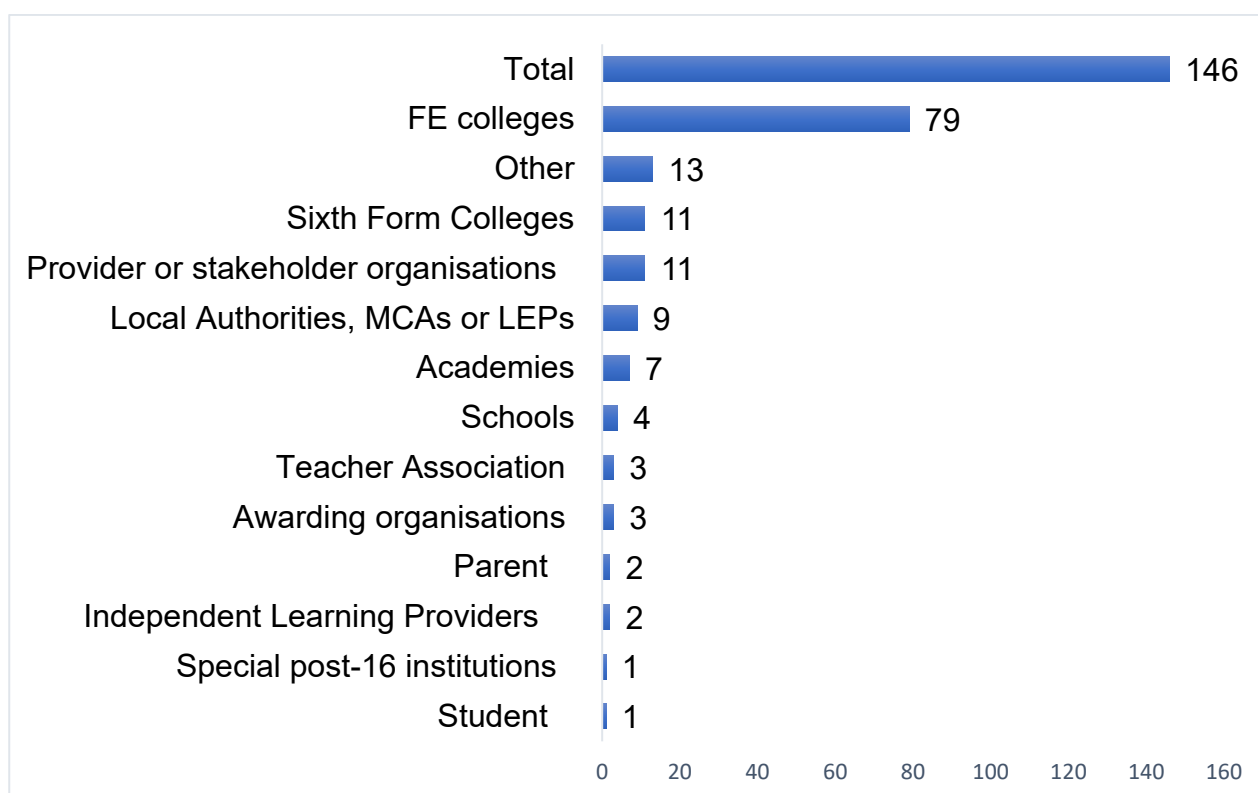
Taking into account the responses received during the consultation, we are separately publishing our Equalities Analysis along with this response.

## Summary of responses received

The Consultation generated 146 responses. We commissioned Pye Tait to conduct an analysis of these responses to help us to ensure we took full account of all the responses received. A summary of this analysis is included at Annex A. A breakdown of respondents by category is provided in Table 1 below.

We received responses from all types of providers who we expect to be delivering T Levels in the early years, with the largest number of responses received from FE colleges.

**Table 1: Total Consultation respondents by category**



### Analysis and reporting

All of the 138 respondents to the online questionnaire answered all 15 consultation questions, with most providing reasons for their response. 8 respondents submitted an email submission although not all of these responded to every question. The length of the supporting comments in the survey and of the email responses varies considerably by respondent and by question. Survey respondents were asked to self-identify as one of 12 pre-defined groups or as 'other'. Those responding by email were assigned to respondent groups during the analysis, where they did not self-identify in their response. Responses were not weighted.

## Executive Summary of the Government Response

The Government consultation on provider funding for the delivery of T levels received many thoughtful and detailed responses. Overall, responses to the consultation were positive, with a high degree of support for many of the proposals. In particular respondents welcomed the simplicity and continuation of the funding formula, funding 18 year olds for T Levels at the same rate as 16 and 17 year olds, funding maths and English for those students who need it, and providing additional disadvantage funding to reflect the extra hours for T Levels.

There were some areas where a majority of respondents said they disagreed with our proposals or had significant concerns about what we planned to do. We have listened to this feedback and we recognise the challenges faced by providers. We have responded with some adjustments to our proposals and we have summarised our main findings below.

### Funding bands

Respondents were concerned about the proposed level of funding for T Level bands, given that these were based on the existing 16 to 19 funding rate. There were however few objections to the actual principle of funding bands.

Some concerns were raised about the increased cost of delivering T Levels (including for early delivery), and that the minimum hours requirement for each funding band was proportionally higher for T Levels than for study programmes.

In recognition of the additional costs that are unique to the early T Level providers, we intend to introduce additional one-off payments to providers - for each new T Level they introduce in 2020, and also for providers introducing the Transition Framework<sup>1</sup> in 2020. This is to recognise the costs associated with engaging in co-design of the qualifications and providers' work with the department on T Level and transition framework policy development. These payments are confirmed in respect of the 2020/21 academic year only and will be paid in 2019/20 as that is when the costs for 2020/21 will be incurred. As part of our preparations for the spending review we are also considering provision of a one off payment for providers covering each new T Level they introduce in 2021/22 – and

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<sup>1</sup> Information on the T Level transition framework is set out in the 'Review of post-16 qualifications at level 3 and below in England - Government consultation' [https://consult.education.gov.uk/post-16-qualifications-review-team/post-16-level-3-and-below-qualifications-review/supporting\\_documents/Post%2016%20level%203%20and%20below%20qualifications%20review%20%20Consultation%20Document.pdf](https://consult.education.gov.uk/post-16-qualifications-review-team/post-16-level-3-and-below-qualifications-review/supporting_documents/Post%2016%20level%203%20and%20below%20qualifications%20review%20%20Consultation%20Document.pdf). Further information will be available in due course.

those introducing the Transition Framework in 2021 (and payable in 2020/21). There is no plan to extend beyond this. More information is shown in section 1 below and further details will be published in Summer 2019.

We do understand the pressures associated with current 16 to 19 funding levels and the challenges this will present for the delivery of T Levels. We will continue to look carefully at the 16 to 19 funding rates, including the T Level rates set out below, against other government priorities, including as part of our preparations for the next Spending Review. We are also making some minor adjustment to the funding bands by reducing the minimum hours requirement for bands 6 and 7.

We will continue with our proposal to fund different T Levels at different rates depending on their size. The information currently available to us still suggests that the most likely band for the first 3 T Levels is band 7, although we will keep this under review as the qualification design process continues. We will continue to review emerging information from the Institute about the size of T Levels to ensure they are allocated to the appropriate band.

## **Industry placements**

While respondents were content with the mechanism for distributing funding for industry placements, they were concerned about the level of this funding, set against the requirements of this aspect of T Levels - in particular for students with special educational needs and disabilities and that full T Level certification is dependent on satisfactory completion of a placement. Respondents also said that there should be more flexibilities in the completion criteria, and we have already responded to this by setting out some additional alternative models and approaches that, while maintaining quality, could be used for the completion of industry placements.

As with the funding bands we will continue to consider the funding rate for industry placements, including as part of our preparations for the next spending review. We have also set out how providers can use their existing Capacity and Delivery Fund and discretionary bursary funding to prepare for some of the challenges of T Levels.

We are now also announcing as per section 2 of this document that we will provide disadvantage funding for industry placements, so that there is additional funding to provide more support for students with special educational needs and disabilities.

## **Maths and English**

Most respondents agreed with our proposal for funding maths and English for those students who need it, although some respondents were concerned about our proposal to provide this funding as a one off payment in the first year - rather than spreading it over the two years for students who need to continue studying in their 2<sup>nd</sup> year.

We are confident that our proposals will provide sufficient funding at the right time, for students who need to continue studying maths and English and we have set out some further information in our response to explain how the funding rate of £750 will on average be enough to pay for 70 hours of tuition in each subject in each year that each student needs it.

## **Funding Formula**

We received strong support for our proposals regarding the funding formula (for example retention arrangements and disadvantage funding) and therefore we do not intend to make any changes to the proposals we set out in our consultation, on how we apply the different formula factors for the funding of T Levels (except to now apply disadvantage funding to industry placement funding). We have, however, sought to provide further information on areas where respondents expressed concern. In particular, we have set out some general principles over how we plan to reconcile planned student numbers against actual delivery and we have also included some more information over how the retention arrangements will apply.

## **Local Offer**

A large majority of respondents agreed with our proposals around the local offer but there was some concern that students should not be prevented from taking a T Level just because there is not a skills need locally for that particular subject. In response we have clarified that providers can also take into account factors such as national skills needs, breadth of provision and social mobility when planning what T Levels to offer. We are now considering the responses in developing our approach

## **Equalities**

There was general consensus among respondents that while any existing inequalities would not be remedied by these proposals, no additional adverse impact was likely. Respondents raised concerns about how we make provision for students with SEND. We have set out in our response how we intend to meet the requirements of students with SEND and how the proposed funding can be used to provide additional support where this is required.



# Government Response to the consultation

## 1. Funding bands

**Question 1: Do you agree with the proposals for funding bands and hours set out above? Yes/No. Please give reasons for your response?**

	Total	Percent
Yes	54	38%
No	87	62%

We received 141 responses of which 62% answered 'no' to the above question. Respondents' comments show a high level of concern about the funding rates for T Levels, particularly bearing in mind that they are based on the existing 16 to 19 funding rate which most respondents regard as too low.

The consultation responses also indicate some concern about the overall demands of T Levels, but are generally supportive of the principles of funding different T Levels at different rates depending on their size. Many respondents who answered 'no' to the first question went on to say that they agreed that T Levels should be paid at different rates and that it made sense to place different T Levels into bands. This was also apparent from the feedback we received at the two consultation events we ran with 2020 providers and the representative bodies.

Given that most respondents were supportive of the funding band principles, we intend to proceed with our proposal to introduce new funding bands for T Levels, funding different T Levels at different rates depending on their size. In doing so, we will work with the Institute for Apprenticeships and Technical Education ("the Institute") to keep the number and size of the bands under review as the size of the technical qualifications becomes clearer with some adjustments as set out below.

Concerns about the 16 to 19 base rate were founded on current pressures as well as concerns that providers anticipate increased costs in introducing T Levels, including the costs of recruiting high calibre teachers with recent industry experience. Some providers, also said they were expecting smaller class sizes and that they would experience some start up costs, particularly in the early years of delivery. We do understand the pressures within post-16 funding and as well as planned investment in capital and extra funding to help teachers and leaders prepare for the introduction of T Levels, we will continue to look at this carefully against other government priorities, including as part of our preparations for the next spending review.

In recognition of the additional costs that are unique to the early T Level providers, we intend to introduce an additional one-off payment of £30,000 per provider for each new T Level introduced in 2020, and of £20,000 per provider introducing the Transition Framework<sup>2</sup> in 2020. This is to recognise the costs associated with engaging in co-design of the qualifications and providers' work with the department on T Level and Transition Framework policy development. These payments are confirmed in respect of the 2020/21 academic year only and will be paid in 2019/20 as that is when the costs for 2020/21 will be incurred. As part of our preparations for the spending review, and subject to funding being available, we are also considering provision of a one off payment for providers covering each new T Level they introduce in 2021/22 – and those introducing the Transition Framework in 2021 (and payable in 2020/21). There is no plan to extend beyond this. Further details will be published in Summer 2019.

The funding rates for each of the proposed bands are based on the size of the different T Levels in terms of the expected planned hours. Where a T Level will have increased costs due to other factors then this will be considered as part of programme cost weights (PCWs). We intend to continue applying PCWs but will review these to ensure the right weights are being applied to the right T Levels (see section 4 below).

Some respondents also highlighted that because the minimum planned hours for each proposed band are fixed at 100 hours below the average, they are slightly higher (in comparison to the average planned hours) than they are for current study programmes. Some respondents argued that this represents a decrease in the funding rate per hour because they increasingly only deliver the minimum planned hours.

We have listened to this feedback and as a result we intend to make an adjustment to the funding bands. We will reduce the minimum hours requirements for bands 6 and 7 by 50 hours as set out in table 1 below. Based on the emerging information we have about the sizes of the new technical qualifications, we expect the funding band and hours parameters set out in table 1 to continue to be able to accommodate the full range of sizes of different T Levels. Funding rates for T levels based on average planned hours are already in line with the rate for study programmes. These changes mean that overall, the funding rates for the new bands will also be in line with current study programmes, when calculated against minimum hours.

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<sup>2</sup> Information on the T Level transition framework is set out in the 'Review of post-16 qualifications at level 3 and below in England - Government consultation' [https://consult.education.gov.uk/post-16-qualifications-review-team/post-16-level-3-and-below-qualifications-review/supporting\\_documents/Post%2016%20level%203%20and%20below%20qualifications%20review%20%20Consultation%20Document.pdf](https://consult.education.gov.uk/post-16-qualifications-review-team/post-16-level-3-and-below-qualifications-review/supporting_documents/Post%2016%20level%203%20and%20below%20qualifications%20review%20%20Consultation%20Document.pdf). Further information will be available in due course.

As with study programmes, whilst we allow providers to deliver a minimum number of hours for some students we will still expect that overall, providers will deliver the average number of hours for that band.

These changes will still allow the funding bands to accommodate the different sized T Levels. As we indicated in the funding consultation, at this stage we also think it is unlikely that we will need band 9 but we are keeping this as part of our proposals for the time being in case of exceptional circumstances where technical qualifications are larger than expected for future T Levels.

**Table 1: Indicative T Level funding bands based on programme size over 2 years**

	<b>Band 6 - small T Levels</b>	<b>Band 7 - medium T Levels</b>	<b>Band 8 - large T Levels</b>	<b>Band 9 - very large T Levels</b>
<b>Row 1: Average planned hours</b>	1250 hours	1450 hours	1600 hours	1750 hours
<b>Row 2: Minimum planned hours required for the band</b>	1100 hours (reduced from 1150 hours)	1300 hours (reduced from 1350 hours)	1500 hours	1650 hours
<b>Row 3: Funding rate</b>	£8,340 (paid at £4,170/yr)	£9,670 (paid at £4,835/yr)	£10,670 (paid at £5,335/yr)	£11,670 (paid at £5,835/yr)

In discussing our proposals around funding bands and hours we had also said that we intended to fund 18 year old T Level students at the same rate as 16 and 17 year olds, in contrast to other study programmes for 18 year olds which receive a lower rate and can be adjusted to accommodate a lower number of hours. Respondents welcomed this proposal.

Some respondents commented that T Levels will include a higher proportion of taught hours compared to study programmes and therefore are more difficult to deliver within the proposed funding bands. For example, some providers currently deliver some of students' planned hours as work experience hours, which respondents said are less expensive to deliver. This approach won't be possible for T Levels because industry placements are funded separately. We recognise this issue, but arranging current work experience placements does have a cost (all be it less than 'taught' hours) and not all level 3 programmes do currently include significant work experience. Therefore we do not intend to amend our proposals because of this. The fact that T Levels will include additional funding for level 2 maths and English, and further funding for 18 year olds, will also help to mitigate this pressure.

Some respondents raised concerns that some T Levels would require greater capital investment or have higher non-capital equipment costs which would make them harder to deliver using the proposed funding bands. This consultation response, however, is concerned with programme funding for the delivery of T Levels. The government has already announced £38 million of funding for capital expenditure to help providers who will be delivering T Levels in 2020 and the process for allocating this to meet needs is underway. This additional funding will help ensure that providers have the equipment and facilities they need to deliver these new programmes successfully and we hope that this will also help to alleviate some of these concerns. We will also consider the capital requirements for future years as part of the next spending review.

Most respondents were content with the proposal to split the funding rate equally over the 2 years of a T Level programme as it will allow providers the flexibility to deliver planned hours and industry placements across the 2 years.

Concerns were raised through the consultation process about the amount of funding that will be available to providers to support students with special educational needs and disabilities (SEND), particularly bearing in mind that T Levels will be larger programmes and therefore more support will be required. As described later in this document we have confirmed the proposal to increase the level of disadvantage funding that will be attracted by T Level students so that further support can be provided for students with low to moderate SEND. We have already announced flexibilities for students with SEND with regard to maths and English and industry placements, and these are described in the equalities section of this document. Beyond these measures, we will work to ensure that the high needs funding system will interact with T Levels funding appropriately and we will be considering the detailed arrangements to make sure that implementation does not disadvantage students with high needs.

As with existing study programmes, students with an EHCP will be funded for T Levels for longer, if required, and if necessary until the age of 25 and will therefore have longer to reach Level 3.

We can confirm that we will continue with the proposals set out in the consultation document subject to the changes to the minimum hours set out above.

**Question 2: Do you agree with the above approach to allocating T Levels to funding bands, subject to further checking against the emerging content for each T Level? Yes/No. Please give reasons for your response?**

	Total	Percent
Yes	117	82%
No	25	18%

A significant majority of respondents said that they agreed with our approach to allocating T Levels to funding bands.

A small number of respondents suggested that all T Levels should have the same banding and be funded at the same rate, but we do not think it is feasible to do this given that we know that different T Levels will vary significantly in size. It is also apparent that, as with question 1, some of the respondents, while they agreed with the process for allocating T Levels, answered 'no' to this question because they disagreed with the actual funding rate.

Some respondents also argued that certain T Levels should be placed in higher funding bands because they were likely to be more expensive to deliver in terms of equipment and facilities. However, the funding bands reflect the size of the T Levels in terms of planned hours and any underlying differences in the costs of delivery 'per hour' will be addressed by the programme cost weighting or via planned capital funding.

Some respondents commented specifically on the indicative bands which we had allocated the first 3 T Levels to,<sup>3</sup> and of these the majority agreed that band 7 was likely to be the most appropriate. The information currently available to us still suggests that the most likely band for the 3 T Levels to be delivered in 2020 will be band 7, although we will keep this under review as the qualification design process continues. We will continue to monitor the funding bands as we get more information about the technical qualifications from the Institute and will confirm the bands for the first 3 T Levels in autumn 2019.

In keeping with the views of the majority of respondents, we will continue with the proposals outlined in the consultation document for allocating T Levels to funding bands.

## **2. Funding industry placements**

Respondents felt that industry placements were one of the biggest challenges to the successful delivery of T Levels and, as shown above, while a small majority answered 'yes' to question 3 about the method of funding, a small majority answered 'no' to question 4 and said that they disagreed with our proposals about the industry placement completion criteria.

We have set out below the various measures we are putting in place to help providers meet these challenges, including the Capacity and Delivery Fund (CDF), announcements

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<sup>3</sup> Although we were consulting only in relation to the method of allocation rather than the proposed allocations into bands of the first 3 T Levels.

of additional funding in 2019/20 to help employers, allowing different models and approaches to deliver industry placements, and providing additional disadvantage funding for industry placements. We have also confirmed that we will look carefully at the funding rate for industry placements against other government priorities as part of the next spending review.

**Question 3: Do you agree with the above method for allocating funding for industry placements for students on T Levels? Yes/No. Please give reasons for your response.**

	Total	Percent
Yes	73	51%
No	69	49%

Many of the respondents who disagreed with our proposals said that they were concerned that the proposed funding rate of £550 was not sufficient to deliver industry placements. In particular, respondents suggested that this level of funding was not sufficient to employ the staff needed to manage placements based on the likely number of visits they would have to make to different employers. They said that the costs of finding, securing and managing the placements required greater investment, particularly for students with special educational needs and disabilities.

Respondents were also concerned that delivery of placements would be harder and more expensive in some cases than in others in terms of finding suitable placements, staff visiting employers and students, and for student travel. Respondents said costs may be greater for example where employers were more dispersed (perhaps where there are a lot of small and medium sized employers), or in more rural areas. Providers from across the country also highlighted the challenges in finding enough good quality placements.

We have listened to this feedback and we recognise that some placements may cost more to deliver than others. However, we do not think it would be practical to introduce assumptions, factors and calculations that would vary the £550 per placement in an attempt to reflect costs in every situation. This is particularly the case given the very early stage we are at in T Levels implementation, and the need to keep the system as straight forward and easy to understand as possible - which we know is important to the sector.

The figure of £550 was used in the Industry Placement Pilot we ran in the 2017/18 academic year and is in fact an increase on the £500 that was recommended in the Sainsbury Review. However, we acknowledge the funding pressures and the challenges providers will face in delivering industry placements. We will therefore look at funding for industry placements, including as part of our preparations for the next spending review.

Through the Capacity and Delivery Fund (CDF), we are also currently funding providers to build their capacity in preparation for delivery of T Level industry placements from 2020, and to deliver 'T Level-style' industry placements for their current students. This investment will, alongside the funding of £550 for students taking T Levels, allow providers to continue building their capacity to deliver quality industry placements. We are also considering the continuation of CDF from 2020 as part of our preparation for the spending review. We will provide a further communication about CDF from 2020 in Summer 2019, although this will be subject to the spending review.

As regards travel costs and student support for disadvantaged students, providers can use their 16 to 19 discretionary bursary allocations to help students who can't afford the additional costs they face to participate in their industry placements. We have also recently consulted on proposals to revise the allocations methodology for the discretionary bursary and one proposal is to introduce a factor to account for the number of disadvantaged students undertaking a T Level industry placement, with the understanding that these students may need additional financial support to participate. We will take into account the responses to that consultation before confirming our policy in that regard.

And in recognition of the additional costs of providing support for students with special educational needs and disabilities, we now intend to make some disadvantage block 2 funding available for Industry Placements. This does not seek to address concerns about the overall payment rate for Industry Placements, but will help providers to meet the additional needs of these students. To do this we intend to add a further £50 to the disadvantage block 2 payment taking that up to £650 per subject for each student not achieving English and/or maths GCSEs at grades 9 to 4 (or grades A\* to C) at age 16.

As well as concern about the proposed level of funding, some respondents expressed concern about making achievement of a T Level conditional on completion of an industry placement. However, we firmly believe that high quality industry placements are an essential part of T Levels and will help T Levels stand out as a world class technical education offer. The feedback from our student research emphasised that industry placements will increase the attractiveness of T Levels. We recognise that there are concerns over the capacity of some employers and providers to offer industry placements, as well as the availability of industry placements in some areas with limited numbers of relevant employers. That is why we are continuing to invest in capacity building and considering what other steps may be necessary to enable successful industry placements for all T Levels students. We have also engaged significantly with employers and providers to look at different models and approaches of delivering industry placements to best reflect current industry practice, making placements more deliverable for employers while maintaining quality.

Respondents also raised concerns that there may be additional costs associated with the placements which, depending on the T Level, may include things such as for example, a Disclosure and Barring Service (DBS) check.

If such a requirement has an education content and requires teaching we expect the employer panels to include the content within the technical qualification and therefore this will be reflected in the hours required for that qualification and will be accounted for in the funding band and associated funding rate.

Where a requirement does not have an education content (e.g. Disclosure and Barring Service (DBS) checks) then we would normally expect the provider to pay for this from the industry placement funding and/or the overall funding rate for the band – particularly where the costs are relatively low as with DBS checks. Many T Levels will have a programme cost weight which will uplift the funding rate for the band and is intended to pay for the increased costs of delivering particular courses. This is in line with the current system for other study programmes which already incur these kinds of additional costs.

Most respondents, including some who answered ‘no’ to the industry placement questions, agreed that despite the concerns they had about the funding rate, the funding should be distributed in two equal amounts in each year of a T Level. We therefore intend to proceed with this proposed approach to distributing the available funding.

In addition, we are continuing our engagement with employers to understand what further support is needed to deliver industry placements successfully and have [recently announced](#) our intention to pilot a small-scale employer support fund in the 2019/20 academic year, alongside a wider support package of guidance, workshops / presentations, and direct hands-on support for employers. We will also be considering during the academic year 2019/20 what good, imaginative and innovative approaches already exist locally to enable greater access to placements in particular for students in rural areas and for those students with SEND and how we can foster these approaches more widely.

Given what respondents felt were the potential difficulties in successfully completing industry placements, many respondents raised concerns about making the second year’s payment conditional on completion of the placement. As we set out in the consultation, while we don’t intend to introduce this immediately, once we revert to lagged funding we think it is important that a funding condition is in place to signal the importance of industry placements and to ensure value for money. Where a student fails to complete a placement and this is outside the control of the student or the provider then we will consider whether this should mean that there will be no reduction in funding. We intend to publish a quality assurance framework prior to delivery of the first 3 T Levels in 2020. Part of this work will include consideration of circumstances where non-completion of an industry placement can be considered to be outside the control of the student or the provider.



**Question 4: Do you agree with the criteria set out in Annex A for the completion of an Industry Placement as part of a T Level? Yes/No. Please give reasons for your response.**

	Total	Percent
Yes	66	47%
No	75	53%

The consultation responses raised concerns about the current Industry Placement model for example the requirement for a student to attend a placement for a minimum of 45 working days. Respondents also questioned whether placements could be completed at more than one employer. We have taken these comments into account and recognise that some flexibility in delivering placements is appropriate in some circumstances. Over the last few months, we have engaged significantly with employers and providers to look at different models and approaches of delivering industry placements to best reflect current industry practice and the particular needs of students including those with special educational needs and disabilities. We had been considering these issues already and made an announcement on 19th May 2019, setting out some additional alternative models and approaches that could be used for the completion of industry placements. This announcement is [available on gov.uk](#).

We are also considering the detailed feedback from this funding consultation in confirming the final criteria for what will be considered successful completion of an industry placement. This will include the development of a robust quality assurance process to ensure that industry placements are of the highest quality under T Levels. We will liaise further with the sector on this and plan to publish departmental policy in relation to the final criteria prior to delivery of the first 3 T Levels in 2020.

### 3. Funding maths and English

**Question 5: Do you agree with the approach for funding level 2 maths and English for those students who have not yet met the minimum exit requirement? Yes/No. Please give reasons for your response.**

	Total	Percent
Yes	94	67%
No	47	33%

Just over two thirds of respondents said that they agreed with our proposals for funding maths and English for those students who need it, on top of the funding required for the T

Level itself, given that the hours will be fixed and there won't be flexibility to accommodate maths and English within the T Level hours. Nearly all respondents welcomed this approach of funding maths and English separately, rather than the current system for study programmes of finding the hours for teaching maths and English from the main study programme funding.

In the consultation document, we said that we would fund maths and English through a one-off payment at the rate of £750 per subject per student (paid during the first year of a T Level programme) and we can now confirm that we will use this rate to fund those students who need this extra teaching.

A small number of respondents to the consultation said that they disagreed with the proposal of paying the £750 as a one-off payment during the first year of T Level programmes and suggested that instead, payments should be made in each year of a programme where a student needed this. We have considered this feedback but we think it is important that funding is made available as early as possible. By allocating the maths and English funding in the first year, providers can choose to use it in the way that best suits the needs of their students and local circumstances. Therefore, in light of the overall positive response to this question, we will proceed with our proposal to fund maths and English through a one-off payment, and bearing in mind expected pass rates, where a student needs to study these subjects in the second year of their programme, the one-off funding of £750 per subject will cover this.

In our consultation, we said that the funding rate of £750 would on average be enough to pay for 70 hours of tuition in each subject in each year that each student needs it. £750 is calculated on the basis that while some students will need to study for 2 years, some students will pass their Level 2 qualification within one year. £750 is the amount of funding needed to pay for the number of hours each student is likely to require on average, based on existing funding and pass rates.

On this point, some respondents said that 70 hours would not be enough for students who needed to continue studying maths and/or English and that in some cases they provided more hours than this to teach these subjects in their current study programme timetables.

70 hours per year equates to 140 hours teaching time over two years and will be sufficient over the two years of a T Level for students who take a GCSE which requires around 120 teaching hours. Given that students will have already had some years of GCSE teaching in their pre-16 education, they may not need 120 hours for a GCSE, and in some cases 70 hours in a one year period will be enough.

Some students, where appropriate and where this best suits their needs, will take a new functional skills qualification rather than a GCSE. The learning hours for the new functional skills qualifications will be 55 hours a year, and therefore 70 hours will allow sufficient teaching time in one year for functional skills qualifications.

70 hours is an average figure and we recognise that some students will need more than this. However, others will require less than 70 hours. Providers can also give more than 70 hours for students who need it, by using some of the funded time available for students' EEP / non qualification hours.

Some providers, including providers delivering the first T Levels in 2020, said that they expected the numbers of students who needed maths and English to be low and that they were concerned about the exit requirement that makes achievement of a T Level conditional on achievement of Level 2 maths and English. We recognise that the exit requirement is challenging for some students but it is important for students to attain these qualifications. Gaining these maths and English skills will support a student to secure a job or go on to a higher level qualification and will ensure employer credibility. That is why we are giving English and maths the discrete study hours and a level of funding that will give students the support that's needed. This requirement also aligns with the existing policy on maths and English requirements for Level 3 apprenticeships as recommended by the Sainsbury Panel.

## 4. The funding formula

There was strong support for the way in which we propose to apply the different formula factors to T Levels funding, with a significant majority of respondents answering 'yes' to each of the following questions. This reflects the strong support we have received from providers for building on the existing 16 to 19 funding formula rather than introducing new arrangements for T Levels. The existing formula is simple, transparent and well understood and so we plan to retain one common 16 to 19 funding formula but some elements of the formula will only apply to either T Levels or other study programmes as set out in the consultation document.

**Question 6: Do you agree with the above proposals for ensuring that the extra funding for T Levels programmes is made available in the year it is needed, before reverting to the usual lagged method of funding? Yes/No. Please give reasons for your response.**

	Total	Percent
Yes	124	87%
No	18	13%

Respondents strongly agreed that funding should be provided in the year it is needed in the early years of T Level delivery and therefore we will proceed with this proposal. Many providers said that they needed in-year funding to make up front investment in teaching staff, industry placements, facilities, marketing and other costs without fear that they will need to start reducing their costs if enrolments are fewer than expected. However, some

respondents also questioned why the lagged approach should apply across the 16 to 19 system - arguing that lagged funding did not always account for in year growth in learner numbers.

The lagged funding methodology was introduced in 2010 to simplify the allocation of 16 to 19 funding to institutions by replacing a complex and time-consuming planning and negotiation process, with additional uncertainty due to in-year and end-year reconciliation, with a methodology based primarily on provider data submissions. The current funding process also accounts for exceptional in-year growth by providing additional funding for cases of significant increases in student numbers over and above the lagged calculation.

Respondents welcomed our proposal to reconcile planned student numbers against actual delivery by applying an appropriate tolerance but asked for more details about how this might work in practice. We understand that providers are concerned that they will not be able to predict recruitment to T levels far enough in advance to feed accurate student numbers into the allocations process. If recruitment does not reflect the student numbers used for the allocation then this could lead to over or under funding. We want providers to invest in T Levels with confidence therefore we are proposing to operate a tolerance before making any funding adjustments.

We envisage a tolerance for under-delivery during the implementation phase which will be tightened as T Levels become more established. We will review actual enrolment against the first data return of the academic year. Any downward adjustment to funding would apply to the number of students outside of the tolerance.

We also recognise that recruiting more students than the allocation is based on, will incur additional costs and we do not want this to be a barrier to recruiting more students than planned, therefore we expect the tolerance above which we would increase allocations to be tighter than that for under-delivery.

The arrangements for over and under delivery will apply for early delivery and we will keep them under review as we move towards steady state and a return to lagged funding. Further details and examples will be included as part of our planned publication in Summer 2019 covering T Levels funding operational details.

**Question 7: Do you agree with the above proposals for applying retention arrangements for T Level programmes? Yes/No. Please give reasons for your response.**

	Total	Percent
Yes	122	85%
No	20	15%

There was strong support for applying the existing retention arrangements to T Levels and respondents recognised that this was important to maintain high quality teaching. Therefore we intend to proceed with these proposals, ensuring that T Levels are treated in the same way as other two year programmes.

Some respondents queried what would happen if students transferred to another T Level, study programme or to an apprenticeship part-way through their T Level.

In keeping with the retention arrangements for existing two year programmes, if a student wants to move from one T Level to another within a route then it will be for the provider to decide whether the student can change within an academic year and is able to catch up with learning they will have missed. If it is agreed with their provider, students can switch between T Levels in a route at any time without penalty.

We think it is unlikely that a student would be able to switch between T Levels in different routes after the Autumn half term in an academic year as there would be too much previous learning to catch up on. Providers will receive 50% of their funding if a student completes 6 weeks of a T Level but leaves before the end of the academic year.

If a student left a T Level part way through a year and moved for example to an apprenticeship, the provider would also lose funding associated with that student in the same way as they would for other programmes. These arrangements are part of the existing approach to retention and ensure that providers receive funding for the costs they incur as well as incentivising retention and helping to ensure value for money. In keeping with the current retention arrangements, students can, however, switch to other programmes including apprenticeships at the end of the first year of their T Level without penalty.

We will continue with our proposal to apply the existing retention arrangements to T Levels and we will include further information on this when we publish the detailed funding guidance in the Summer.

**Question 8: Do you agree with the above approach for applying PCWs to T Levels programmes? Yes/No. Please give reasons for your response.**

	Total	Percent
Yes	98	69%
No	45	31%

A significant majority of respondents said that they agreed with our proposal to apply PCWs to the T Levels funding rates in the same way that they operate for study programmes. Some respondents did, however, raise concerns about the indicative PCWs for some T Levels, and some respondents answered 'no' to our proposals

because of this. In general, there was a recognition that it was important that PCWs were reviewed to ensure that they properly reflect the costs that providers would incur in delivering T Levels.

In the consultation we said that we planned to undertake a piece of work to check whether the current PCWs were appropriate for T Levels. We are continuing with this work but will not make any changes to the PCWs set out in the consultation document before 2020. Therefore, we will keep the indicative PCWs set out in the consultation document for the first 3 T Levels, but will continue with our review and may make changes to PCWs for delivery from 2021.

**Question 9: Do you agree with above proposals for incorporating level 2 maths and / or English funding into the funding formula? Yes/No. Please give reasons for your response.**

	Total	Percent
Yes	122	87%
No	18	13%

Question 9 is concerned with how the arrangements for funding math and English will be incorporated into the funding formula.

Nearly all respondents were in favour of our proposal to include this funding after PCWs in the formula but before disadvantage funding. The majority of respondents recognised that delivery of GCSE or Functional Skills maths and English does not vary between subject areas and so there is no need for an additional weighting although a small number argued that PCWs should apply. Respondents also welcomed the proposal to include this weighting before disadvantage funding and the area cost allowance as it needs to be uplifted by these factors to reflect additional costs.

Respondents also agreed that lagged prior attainment data should be used to identify the proportion of T Level students that require funding until T Level data becomes available.

Therefore, in keeping with the views of the majority of respondents, we will proceed with our proposals to incorporate maths and English funding into the funding formula, after the programme cost weighting but before disadvantage funding and the area cost allowance.

**Question 10: Do you agree that disadvantage block 1 funding should be provided for T Level students on this basis? Yes/No. Please give reasons for your response.**

	Total	Percent
Yes	126	90%
No	14	10%

Disadvantage block 1 funding is intended to reflect the additional costs incurred in engaging, recruiting, and retaining young people from economically disadvantaged backgrounds and our proposals for increasing this funding for T Levels to account for the fact that they will be bigger, more demanding programmes, was supported by 9 out of 10 respondents.

Respondents recognised that this was an established and well understood element of the existing funding formula and said that this was important to ensure that additional funding was provided so the most disadvantaged students and those with special educational needs and disabilities could be given the support they need, and that T Levels are made accessible to them. Therefore, we intend to continue with this proposal as set out in the funding consultation document.

**Question 11: Do you agree that extra disadvantage block 2 funding should be provided for T Level students on this basis? Yes/No. Please give reasons for your response.**

	Total	Percent
Yes	121	86%
No	20	14%

Disadvantage block 2 funding accounts for the additional costs in teaching students with low prior attainment including students with SEND. We use data on maths and English attainment to calculate this level of funding but it is not intended for teaching maths and English.

As with disadvantage block 1, a very significant number of respondents said that they agreed with our proposals for increasing disadvantage block 2 funding to reflect the fact that T Levels are bigger programmes. T Levels will on average be around 25% larger than other study programmes in terms of planned hours, and we will continue with our proposal to increase disadvantage funding to ensure that funding is available to support disadvantaged students and those with special educational needs and disabilities for the additional taught hours. However, we will go further and now intend to increase disadvantage block 2 to a new rate of £650 (to also provide this funding for industry placements) as explained in section 2 above.

**Question 12: Do you agree that the Advanced Maths Premium and the Large Programme Uplift should apply for T Level students on this basis? Yes/No. Please give reasons for your response.**

	Total	Percent
Yes	115	81%
No	27	19%

We are supportive of high attaining students who want to take an additional A Level alongside their T Level but since T Levels will be significantly bigger than existing study programmes, we think that the number of students who choose to do this will be low.

Respondents to the consultation agreed that T Levels would be demanding programmes and it would be difficult to accommodate the teaching for an A Level alongside a T Level. However, respondents were supportive of our proposals for funding the small number of high attaining students who may want to take an A Level alongside their T Level through the Large Programme Uplift.

Respondents also agreed with our proposal that where providers are expanding the number of students taking level 3 maths a student taking a core maths or maths A Level alongside their T Level would receive additional funding through the Advanced Maths Premium in the same way as other study programmes.

**Question 13: Do you agree that the extra funding that will be provided for the new and larger T Level programmes should be uplifted by area cost allowances as described above? Yes/No. Please give reasons for your response.**

	Total	Percent
Yes	111	79%
No	29	21%

There was a general agreement that the area cost allowance was an important element of the funding formula. Most respondents agreed with our proposal and recognised that the cost of delivering 16 to 19 study programmes was generally higher in London and the South East.

A minority of respondents disagreed with our proposal and suggested that the area cost allowance was not a fair reflection of geographical factors which affect the cost of delivery. While we accept that the cost of delivery can vary between different areas in other ways not captured by area cost allowances, we do not think it is feasible to introduce an area cost allowance which takes account of all the different variables which



affect the cost of delivery across the country. The area cost allowance is a standard part of the current funding system and reflects the fact that there is a marked difference in relative costs between London and the South East, and the rest of England. In keeping with the views of the majority of respondents we will apply the area cost allowance in the same way and at the same percentage as we do for other study programmes.

## 5. The local offer

**Question 14: Do you agree with the above proposals for ensuring there is a way that provision can respond to the skills needs of particular local areas? Yes/No. Please give reasons for your response.**

	Total	Percent
Yes	93	66%
No	48	34%

There was general support for the principles of the local offer with two thirds of respondents saying that they agreed with our proposals.

Most respondents agreed that Skills Advisory Panels (SAPs) would have a role to play but said that they believed that they should still be able to offer a T Level if there is demand even if there is not a skills gap in their local area. Some providers were concerned that young people should not have limits placed on what T Level they can choose to study because of where they live. Some respondents argued that providers should be able to consider regional and national opportunities as part of their delivery plans.

We are considering respondents' comments in developing our approach to the local offer. Our priority is to strengthen links between employers and skills providers so that as far as possible local provision, including T Levels, delivers the skills employers require at local and regional level and can give more people in the local community access to high quality skills provision which leads to good jobs.

Some respondents said that where a T Level includes a large number of different specialisms it may not be viable for a single provider to offer all of these and instead suggested that SAPs may have a role to play here by co-ordinating which providers offer

which specialisms within a local area. We published guidance, in December 2018<sup>4</sup> for local areas to support them in establishing their Skills Advisory Panel. In this guidance, one of the roles we set out was “*acting as co-ordinator of local skills providers... fostering co-operation between providers in mix of provision [and] actively working with a range of local providers ... to plan for how the skills needs are to be met.*” We will explore how best to support local areas in delivering this important role.

## 6. Equalities

**How could any adverse impact be reduced and are there any ways we could better advance equality of opportunity or foster good relations between people who share a protected characteristic and those who do not? Please provide evidence to support your response.**

There was general consensus among respondents that while any existing inequalities would not be remedied by these proposals no additional adverse impact was likely. Respondents felt that T levels should be accessible to all, with additional funding support provided to those who need it so that they can access provision on an equal basis. Respondents also felt that any additional support should be more tailored and more responsive to the needs of students than current provision.

With regard to Industry Placements, many respondents called for flexibility for SEND students and others with differing needs and challenges. A number expressed concern about the impact on SEND students of the requirement for the entire Industry Placement to take place with one employer and called for the placement to be structured in a different way. Several also expressed concern that some employers will not have the necessary resources to support students with particular needs or disabilities.

We have considered the responses to the consultation regarding equalities and will take the following actions to address the issues raised (we have also incorporated the evidence provided into our equalities analysis:

- As indicated earlier in this document, we are proceeding with our proposals to apply disadvantage funding to T Levels funding (including funding for maths and English). This will increase disadvantage block 1 funding for all T Level students and we will also increase disadvantage block 2 funding, as described in our responses to questions 10 and 11 above. We are now also announcing as per section 2 of this document that we will make some disadvantage funding available for industry

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<sup>4</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/762629/Skills\\_Advisory\\_Panels-Guidance\\_on\\_the\\_Role\\_and\\_Governance.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/762629/Skills_Advisory_Panels-Guidance_on_the_Role_and_Governance.pdf)

placements. This additional disadvantage funding can be used by providers to meet the costs of providing additional support for students with low to moderate special educational needs and disabilities. Beyond this increase in disadvantage funding, we will continue to consider how we might provide additional funding for disadvantaged students to help cover travel and other costs via the 16 to 19 Bursary Fund; along with our continued consideration of the 16 to 19 funding rate, this will form part of our preparations for the Spending Review.

- As indicated in section 2 of this document we have already taken a number of steps to address the issues raised with regard to industry placements in the consultation responses.

For students with high levels of special educational need, we are looking carefully at how we fund this group of students. As explained earlier in this document we will consider the detailed arrangements for funding students with high needs to ensure they are not disadvantaged by the T Level funding system, and we will provide further details in due course.

In addition to the above responses to the T Levels consultation we also confirmed via the T Level Action Plan (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. These flexibilities will apply to students who have either an existing or previously issued EHC plan, a statement of special educational need (SEN) or a learning difficulty assessment (LDA), and where the provider holds an evidenced assessment that the student is not able to study these subjects at level 2.

We have taken into account the responses received and in accordance with our duties under the Equality Act 2010 we have considered the impact of the proposals on individuals sharing protected characteristics, in order to give due regard to the need to eliminate unlawful conduct, advance equality of opportunity and foster good relations. We have published our equalities analysis alongside the Government Response.

## Next steps

	Jan–June 19	July–Dec 19	Jan–June 20	July–Dec 20
Contract award for the development of 2020 qualifications	●			
Government response to T Levels funding consultation published.		●		
Further operational detail for funding arrangements published along with indicative T Level funding allocations for 2020 providers.		●		
Approved Technical Qualification specifications available for first 3 T Levels			●	
Firm allocations sent to 2020 providers in accordance with usual 16 to 19 funding timetable			●	
Updated funding guidance to include T Levels funding			●	
Teaching of first 3 T Levels by providers begins				●

# Annex A: Summary of consultation response analysis by Pye Tait Consulting

## 1.1 Policy background

The introduction of T Levels has its origins in the report of the Independent Panel on Technical Education, led by Lord Sainsbury, which made 34 recommendations on how to reform technical education in England. The resulting Government reform programme includes the development of a robust technical education offer consisting of T Levels and apprenticeships, as well as an academic option (A Levels).

The Department for Education (DfE) ran a public consultation from 27<sup>th</sup> November to 19<sup>th</sup> February, seeking views on its proposals for funding for the delivery of T Levels. This Executive Summary presents an overview of the main points.

The consultation generated a total of 146 responses. Of these:

- 138 were received via the DfE's online questionnaire; and
- 8 were received by email.

In support of the online questionnaire, the DfE facilitated workshop discussions in London and in York to gather more detailed feedback. The notes from the events were shared with Pye Tait Consulting as part of the analysis and to inform this report.

## 1.2 Funding bands and hours

Of the 141<sup>5</sup> respondents to this question, most (62%) disagreed with the proposal to allocate T Levels to a number of different funding bands, reflecting the difference in the numbers of teaching hours required.

Although the majority of respondents disagreed with the proposal on the face of it, it should be noted that there were few objections raised which specifically took issue with the principle of allocating T Levels to funding bands. Those responding 'no' were mainly concerned about the amount of funding, rather than the concept. There were particular

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<sup>5</sup> This figure includes the 138 responses received via the DfE's online questionnaire and 3 responses received by email which responded to each of the questions individually. The remaining 5 responses received by email were free-form responses, the comments therein have been incorporated as appropriate throughout the report.

concerns that the bands didn't accurately reflect the number of teaching hours required, therefore putting pressure on funding rates that were deemed to be inadequate already. As well as teaching hours, respondents also raised concerns about the level of funding bands in light of the perceived increase in costs of delivering T Levels.

Respondents welcomed parity of funding for 18-year olds.

Of those who responded in favour of the proposals set out for funding bands and hours, they were positive about what one FE provider described as a familiar approach and highlighted that it was simple to understand which would enable institutions to plan effectively. They also highlighted the importance of maintaining flexibility in the split of delivery (planned hours and industry placement).

### **1.3 Allocating T Levels to funding bands**

Of the 142 respondents to the question, 82% were in agreement with the proposal to allocate the first three T Levels for teaching in 2020 to a specific funding band (band 7). However, the necessity for reviewing the appropriateness of the banding and its associated value was frequently raised across all respondent groups.

Respondents frequently stressed a view that, whilst they agreed with the approach, they felt funding levels proposed were insufficient and inadequate. Several respondents emphasised the need for transparency by the DfE with regard to the setting and adjusting of rates and the review process.

A few completely rejected the approach to allocating T Levels to funding bands, subject to further checking against the emerging content for each T Level. Those who responded negatively felt that all programmes should attract the same level of funding.

### **1.4 Allocating funding for industry placements**

Views were divided on the DfE's proposals for the method for allocating funding for industry placements, which proposes an indicative rate of £550, with half the funding in the first year and half in the second year.

Those in support of the proposal suggested the rate is sensible.

Of those disagreeing with the proposal, the majority did not raise issues with the method for allocating funding but with the amount of funding, which was seen as insufficient. Respondents suggested the cost involved in providing industry placements will be impacted by an employer's: size; geographical location; and sector; and that the funding methodology should be responsive to these differences.

Respondents also suggested there are likely to be greater cost implications of placements in some sectors of employment for example requirements for Personal Protective Equipment (PPE), workwear, and other costs such as Disclosure and Barring Service (DBS) checks or Construction Skills Certification Scheme (CSCS) cards. There were requests for clarification of how these additional costs would be funded.

There were strong views shared that the proposals were disadvantageous to students from deprived backgrounds and a common concern across all respondent groups was that students were unlikely to be willing (or able) to cover additional expenses, such as travel costs and workwear. There were also concerns about the additional costs of supporting students with Special Educational Needs and Disabilities (SEND).

## **1.5 Criteria for completion of an industry placement**

The consultation document set out a range of criteria for judging whether a student has successfully completed their industry placement. Criteria include, for example: attended a placement outside of their normal learning environment (away from their peers and teaching staff); attended for a minimum of 45 days; and, demonstrated relevant and up to date technical skills and theoretical knowledge.

Views were divided on whether the criteria set out are appropriate; 53% of the respondents disagreed. A large number of all respondents, expressed their concern regarding the availability of suitable placements and a small minority stated that the availability of placements would become problematic as popularity of T Levels grows. These respondents requested flexibility in the application of the criteria to take account of exceptional circumstances such as the employer going into liquidation, or, the employer changing the hours offered.

A key theme across all respondent groups was the perceived need for students to be allowed to complete their placement across more than one setting, minimising the onus on employers and providing students with the opportunity to gain wider sector experience. However, some noted this approach could create extra cost for the provider in coordinating multiple employers.

There was also support for providers being able to use their own commercial sites for industry placements; this was particularly the case for the land-based industry. Some also suggested simulation be permitted for sectors where home-based working is commonplace, such as digital.

There were also concerns raised with regard to the increased complexity of finding and supporting industry placements for students with SEND.

## **1.6 Funding maths and English for students who have not met the minimum exit requirements**

The majority of respondents (67%) agreed with the proposal for maths and English funding.

The most common theme was, however, that this approach would create a lack of parity with other study programmes. To avoid any students being disadvantaged, the respondents suggested the criteria should therefore be applied to all 16-18 study programmes.

Another common theme was the timing of payments. Some were in favour of the payment being made in Year 1, however, others argued that providers are having to take on more students without the level 2 qualifications to meet targets on admissions and, as such, many students are likely to continue to retake these subjects in Year 2, for which respondents said there will be no funding.

The number of teaching hours was questioned; FE Colleges and Sixth Form Colleges suggested the proposed 70 hours is insufficient. Others suggested the exit requirements are too demanding and it is not feasible to fit the additional teaching time required into timetables.

A minority of respondents called for more information about students with SEND, who may need more time and/or resources to achieve the requirements.

## **1.7 Student numbers and funding bands/rates**

The clear majority of respondents (87%) agreed with proposals for extra funding payments to be made in the year it is needed, before reverting to the usual lagged method of funding. Many observed that this proposal supports the requirements of the student, provider, and industry placement. The conversion to lagged funding thereafter was seen to be 'suitable to enable effective planning, where under or over recruitment has occurred'.

Respondents suggest there may be a requirement for some form of transition funding, at least initially, or indeed when the conversion to lagged funding takes place. The conversion to lagged funding was highlighted as potentially causing financial strain for colleges that are already struggling, due to a lack of increase to base funding experienced for many years.

There was also support for the consideration of specialist provision to apply to certain sectors where more funding might be needed (e.g. engineering and digital where high salaries are typical and to cover the cost of expensive equipment for health and science).



## **1.8 Applying retention arrangements for T Level programmes**

The majority of respondents (85%) agreed with the proposal to apply retention arrangements for T Levels.

Of the 15% who disagreed, the most common concern related to the penalty on providers if students choose to leave the programme. Respondents feared that in such circumstances, a positive outcome for the student would be overshadowed by the (possible) negative impact on the provider. In these circumstances there was a view that providers should not be penalised for situations out of their control.

## **1.9 Programme Cost Weighting**

The majority (69%) of respondents agreed with the proposal for applying programme cost weightings (PCWs) to T Levels, in recognition of some programmes being more expensive to deliver than others.

Those who disagreed (31%) did not generally raise issues with the concept of PCWs but with how they have been mapped to the T Levels. Respondents mentioned programmes where they felt the weighting should be increased: construction and engineering; digital; health and science; and, music.

A minority were also concerned about the challenge of determining PCWs (particularly for some of the more complex programmes) whilst content panels are still involved in programme development. These respondents called for PCWs to be reviewed once further information on programme content is available.

## **1.10 Level 2 maths and English funding**

The majority of respondents (87%) agreed with the proposal for incorporating level 2 maths and/or English into the funding formula by including this funding after PCWs but before disadvantage funding and the area cost allowance.

The minority (13%) who disagree, raised a variety of individual concerns: the complexity of the overall funding approach; the use of lagged data instead of actual data; and that PCWs should also be applied. The difficulty of integrating students on T Level and other study programmes into the same GCSE classes (different timetable structures are required to accommodate industry placements) was also raised as a possible issue and it was suggested that 'in order to make it cost effective to run T Levels, a college will require sufficient numbers on the T Level programme' potentially making some programmes undeliverable for smaller providers.

## 1.11 Disadvantage funding

The clear majority of respondents (90%) agreed that disadvantage block 1 funding should be provided for T Level students on the basis outlined in the consultation document.

Many of those supporting the proposal suggest it would provide good support to students, would ensure accessibility of T Levels to students, and provide consistency with funding arrangements for programmes. A number of others recognised the proposal acknowledges the hours involved with delivering T Levels, and that historical data should be used until T Level data is available to review funding arrangements.

Other comments noted that:

- Supplementary funding may need to be considered for SEND students, or for students in rural locations to support transport costs.
- Further financial support may be required for students on their industry placements (e.g. travel costs) or for students with part-time jobs who will lose their income to attend courses.
- Clarification should be provided on how students requiring support will be identified, arguing that support should be based upon individual student needs, rather than on postcode allocations.

A large majority of respondents (86%) agree that extra disadvantage block 2 funding should be provided for T Level students on the basis outlined in the consultation document.

A number of respondents also commented that the use of historical data is appropriate for calculating funding until meaningful T Level data is available, at which point the funding should be regularly reviewed. Others went on to comment further that reasonable adjustments to funding may be required for SEND students under the Equality Act. Those who disagreed with the proposal did so on the basis of SEND support, suggesting the funding proposal does not go far enough.

## 1.12 Large Programme Uplift (LPU) and Advanced Maths Premium

The majority of respondents (81%) to this question agree that the Advanced Maths Premium and Large Programme Uplift should apply to T Level students on the basis outlined in the proposal document.

Those who supported the proposal often referenced the consistency with other study programmes, the promotion of support for students to develop higher level skills, and, that it provided flexibility for students in their studies.

Some respondents questioned the potential take up of, and demand for, A Levels alongside T Levels due to the time it would take for students to complete both concurrently. Tied into this, respondents also raised concerns that a high workload could affect students' wellbeing and that providers may not have the necessary resource or existing capability to deliver both sets of qualifications.

Those disagreeing with the proposal primarily did so for two reasons: some commenting that it is unethical to link funding directly to grade outcomes, while others believe that 'enhancing' a T Level with an A Level may undermine the programme and be counterproductive.

### **1.13 Area cost allowance**

Most respondents (79%) are in agreement with the proposals that extra funding for the new and larger T Level programme should be uplifted by area cost allowance (as described).

Of the 21% of respondents who disagreed with the proposal, the most common issue raised is that of rurality. Specific points include: providers in rural areas being more likely to need to subsidise transport costs; monitoring costs are thought likely to be greater, and; attracting and retaining new staff in rural areas will be challenging.

An additional point was made with reference to the London weighting which was felt to lack specific justification. A number of respondents suggested that it may actually be easier to deliver T Levels in London due to business density and good transport links.

### **1.14 The local offer**

There is substantial support (66%) for the proposal for ensuring there is a way that provision can respond to the skills needs of particular local areas.

Some support came with caveats, suggesting that for some sectors there is value in regional/national provision. It was also suggested that the proposals should not go too far in terms of the localist agenda which could lead to too much specialisation. FE colleges observed that young people often simply wish to follow their passion which does not necessarily fit with the skills needs for the area in which they are based. Those disagreeing with the proposal, also highlighted the risks of being 'too local' at the expense of not providing a wide enough offer.

Respondents were generally supportive of the role of Skills Advisory Panels (SAPs), however they felt that providers should maintain their autonomy in terms of both planning and managing their offering.

## 1.15 Equality impacts

There was a general consensus that the proposals would not impose any adverse impact. However, a number of caveats were applied and comments made:

- Equality of opportunity should not be set aside as a separate agenda.
- There are existing laws to protect vulnerable groups.
- Reasonable adjustment should be made for those who struggle to access provision.
- SEND students may encounter difficulties accessing and completing an industry placement.

## 1.16 Conclusions

1. Overall, respondents received the proposals positively; the main areas of disagreement relate to the proposed value of funding bands and hours, rather than the concept. Consistency with existing funding mechanisms was welcomed.
2. Although respondents tended to welcome consistency with existing funding mechanisms there is a concern that some aspects of the proposed funding for T Levels creates a lack of parity across other programmes.
3. Many respondents took the opportunity to share concerns about the sufficiency of the funding amounts proposed, e.g. deriving the funding band amounts from current FE funding which was deemed currently inadequate; and the level of the proposed £550 industry placement payment (including factors such as rurality and sector).
4. The request for flexibility was a recurring theme and was most evident in feedback concerning industry placements, where there is a perceived lack of flexibility about the completion requirements.
5. The consultation attracted various comments about the importance of clarity in how the proposals had been derived, including some questioning about the basis for calculating the funding amounts.
6. Another recurring theme is the need for a formal, structured review of how funding is working in practice, particularly in the short term, requiring close monitoring of how funding is used by providers versus actual costs.



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