

Public Accounts Committee

Oral evidence: Introducing T Levels, HC 822

Thursday 24 April 2025

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Members present: Sir Geoffrey Clifton-Brown (Chair); Mr Clive Betts; Anna Dixon; Sarah Hall; Michael Payne; Oliver Ryan.

Gareth Davies, Comptroller & Auditor General, National Audit Office, Emma Willson, Director, National Audit Office, Adrian Jenner, Director of Parliamentary Relations, National Audit Office, and Edward Pinney, Alternative Treasury Officer of Accounts, HM Treasury, were in attendance.

Questions 1 - 74

Witnesses

I: Susan Acland-Hood, Permanent Secretary, Department for Education; Julia Kinniburgh, Director General, Skills, Department for Education; Carmel Grant, Interim Chief Executive, Institute for Apprenticeships and Technical Education (IfATE).

Report by the Comptroller and Auditor General
Investigation into introducing T Levels
(HC 768)

Examination of witnesses

Witnesses: Susan Acland-Hood, Julia Kinniburgh and Carmel Grant.

Q1 **Chair:** Welcome to the Public Accounts Committee on Thursday 24 April 2025. In September 2020, the Department for Education launched T Levels as a new technical qualification aimed at supporting young people into skilled employment and bridging chronic skills gaps across the economy. The Department has since introduced 21 T Levels, 16 of which were introduced in line with the original timetable. However, the number of students enrolled into courses as at September 2024 was less than half the Department's initial estimates.

Alongside low student numbers, concerns have also been raised about declining pass rates, the challenges of securing industry placements and the cost of T Levels compared with other qualifications. Today, we will be questioning our witnesses about their progress in delivering and awarding T Levels and plans for increasing student numbers and realising the benefits of these qualifications.

Today, to help us with all that, we are very pleased to welcome our witnesses. We have Susan Acland-Hood, who is the permanent secretary and a regular attendee at this Committee. Welcome, Susan, and thank you. You have been permanent secretary since 2020. We have Julia Kinniburgh, director of skills. Julia was appointed director of skills for the group in December 2022 and previously held the position of director general for the strategy group. Welcome.

From the Institute for Apprenticeships and Technical Education, we have Carmel Grant, the interim chief executive. Carmel has been acting chief executive since February 2025, having previously held the role of deputy director for technical and education. I think, Carmel, this is your first appearance before the Committee.

Carmel Grant: It is.

Q2 **Chair:** You are very welcome indeed. Thank you very much for coming. We now go straight into the main session. Perhaps, permanent secretary, we could start with you. As an opener, please, could you tell us how important T Levels are to your wider plans for addressing critical skills gaps within the UK economy?

Susan Acland-Hood: T Levels are really important to our plan for addressing skills gaps. They are part of a landscape of qualifications and they link very closely to the work of Skills England in assessing skills gaps



and identifying the qualifications needed to meet those. T Levels were part of a push to make sure that we were treating technical and vocational education as seriously and thinking about it as much from a quality point of view as we do academic pathways. In the past, there has been a tendency to see technical and vocational qualifications as a second-rate or residual route for those who could not cope with an academic pathway.

T Levels were explicitly set up to start not from that point of view, but from the point of view of what really high-quality occupational competence would look like in a technical route. They were co-designed with employers and were intended to be, and are, high-quality, high-status qualifications that lead to really good outcomes for the learners who take them. When we do the work on skills mapping, as Skills England has started to work on in shadow form, we know that, for different areas of the economy, we need qualifications of different kinds and at different levels. T Levels are not the only answer, but they are a really important part of the landscape

Q3 Chair: That is fantastic stuff. Thank you very much. We will be examining a lot of that. As a quick follow-up to that, I will perhaps go to Carmel Grant. What are you doing to ensure T Levels meet employers' current and future needs? Cirencester college is very keen on T Levels and has been right there at the beginning, but it finds one of the most difficult aspects of it is getting sufficient employer placements. Of course, unless the employers are satisfied with the scheme, they are not going to want to offer placements for future students. Could you address some of the problems of finding employer placements?

Carmel Grant: In terms of addressing employer needs, the T Levels are designed with employers. Right at the beginning of the design, we have had employer panels involved in designing the content and making sure that it is fit for purpose. In the development of the T Levels, the awarding organisations that have the contracts for the T Levels are also required to bring in employers to ensure that they are meeting the skills needs, so they are always maintaining currency.

With that currency and annual changes to the T Levels to keep them up to date, I think that that is giving the confidence for employers that want to offer placements to continue to do that. Indeed, some of the employers that have been involved in the design and development of T Levels are offering placements throughout the country as well. It is a continual theme of employers being at the heart of the design, development and updating.

Q4 Chair: We absolutely understand that. The follow-on question from that—I do not mind, Susan or Julia, if you answer this—is that, if we get the predicted numbers that you need to make this a success, we are going to need a considerably increased number of placements. Do you think that we are going to be able to achieve that?



Julia Kinniburgh: Yes, we do. We have seen a growing provision of placements as the programme has matured. For last year, we had 98% of students who completed their placement. We have been doing an awful lot of work to support employers in taking on those placements. We have seen that, once employers take their first students, the numbers really grow substantially. We have employers such as Amazon that have gone from a handful to triple figures in the space of a few years. Lloyds Bank has done something similar.

Once they have had a student in their workplace, they can see the real benefits to the workplace and in terms of then bringing those students through to work in their companies, often as apprentices. For those who have completed their placement, a third of them when they are actually employed are then employed in the company where they did their placement. It is really working as a pull-through into those employers. We have seen really good take-up.

Q5 **Chair:** That is a fantastic news. I am sure that some of us will want to follow that up a little later on. Susan Acland-Hood, how many students need to complete T Levels each year for them to be sustainable and address the skills gaps? I am looking at figure 3, for example. You have had to withdraw some of the T Levels because of lack of demand. Set the scene for us, if you would be kind enough to do so, of how many students you think there need to be for each T Level to be viable and for the whole scheme to be viable.

Susan Acland-Hood: We have about 25,000 students who started T Levels in 2024, which is a hugely significant growth on the just over 1,000 who started in the first year in 2020. Our latest projections look towards somewhere in the region of 60,000 to 70,000 T Level learners in steady state. We are making good progress towards that number. As the NAO Report set out and the Committee will know, the growth trajectory has not been as rapid as we first projected, but we are now tracking our most recent growth forecasts quite well. Having revised and looked at those again, learning from what we have seen in the early years of the programme, we are confident that we are now forecasting and meeting the forecasts that we have most recently set.

Q6 **Chair:** Are you reasonably confident that you will meet the forecast numbers predicted by the NAO for 2030?

Susan Acland-Hood: Yes.

Chair: Good.

Susan Acland-Hood: In terms of what we need across the economy through different routes, there is a lot of work going on with Skills England to look at the numbers we need. There are some areas where the T Level stands alone as the route that is needed to meet that. There are some others where you want a mixture of people coming through—for example, apprenticeship routes, T Level routes and potentially other



classroom-based routes. We keep that under quite careful review and sit and work through it with employers.

In some cases, the changes to the originally planned T Levels have been about employer feedback about what was needed. For example, when we look at the onsite construction T Level, which is one of the ones that we have moved away from, we had about 350 learners going through onsite construction. For the stage it was at, that was not a devastatingly low number; we have some other very recently introduced T Levels that have numbers of that size.

It was more that the employers said to us that they did not think that the T Level was the right pathway for onsite construction. They wanted more people coming through apprenticeship routes and level 2 routes into onsite construction. Not just designing in the first instance with employers but keeping on listening to their feedback and feeding that back into the programme has been a really important part of the work and the design.

Q7 **Chair:** That is really helpful. It is not quite so much about numbers; it is about how the actual T Level fits within the requirement. That is really helpful. I slightly pre-empted my next question, which is on student number predictions. That is a big jump, is it not, to 66,100 students predicted in 2029 compared with 25,000 now? You said absolutely positively in answer to my question before that you were going to meet that. You are still absolutely positive that you will meet that large number.

Susan Acland-Hood: Yes.

Julia Kinniburgh: We have seen substantial growth year on year. We are at 25,500 starts from this academic year. The previous academic year we were at 16,000. That is about a 60% jump. We have done a lot of modelling and refinement of that model. As the permanent secretary said, we are now tracking that model very closely. We were 1% above where we thought we were going to be for this year.

We are continuing to track that, but we have refined that model quite substantially, having learnt from the first four years of T Levels. They are still a very new qualification in the land of qualifications. They are four years old—five years old this year—compared with A Levels, which are 74 years old, so it is really important that we keep iterating our understanding. We are tracking that trajectory very closely now.

Q8 **Chair:** My college, Cirencester, is very keen on these. It is absolutely full to bursting with students. It cannot really take any more. Presumably, you are going to need to bring a number of other providers on board. What are you doing to encourage more institutions to provide T Levels?

Julia Kinniburgh: We now have over 300 institutions that provide T Levels. We deliberately grew that relatively slowly to start with. For the first three years, we restricted that to good and outstanding providers to



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make sure that we had a really solid basis from the start. We also introduced the T Levels in phases and our last new T Level starts this September, so we are still in the ramp-up phase.

We have worked very closely with providers throughout the programme. We have provided support to them in terms of support for their staff. We have provided CPD support, so training support for their staff. We have also provided support for equipment and capital works—for premises works—to allow them to have the space to expand and, really importantly, the equipment they need. Because the T Levels, as Carmel was saying, are designed with employers, they are often very cutting-edge in terms of the equipment that will be needed, so we have provided additional support into the colleges.

It is also now really good to see that it is not just colleges. Schools are also delivering more and more T Levels. In our trajectory, we would like that to continue to expand. We continually work with providers; we take feedback from providers on what we can do that is helpful. One adjustment, for example, that IfATE is making at the moment is to reduce the amount of assessment in one of the digital T Levels. That is directly from the feedback from providers that that level of assessment was very difficult practically to deliver. We take that feedback and collectively work through how we should adjust the T Levels. That is how we want to support providers going forward.

Chair: That is really helpful. Thank you very much.

Q9 Mr Betts: To follow up on the initial question, if I could, clearly there is a belief that T Levels are very important to address skills gaps. How flexible are they to respond to changes in the likely skills requirements? I will give one example. You probably could not have predicted a year ago that we would suddenly decide to spend a lot more, to the extent we are, on defence. If the Secretary of State for Defence is right and wants more of that money to be spent on defence manufacture in this country, how quickly can T Levels respond to an increased demand for engineering skills?

Susan Acland-Hood: They are responsive in two ways. I might bring Carmel in to talk about one of them. First is that we have seen the ability to be flexible and responsive on the volume of people going through particular routes. I would pick out the announcement that was recently made on construction skills, where we have put more investment into supporting a range of pathways, including T Levels, through that construction announcement.

As you say, we expect the defence spending to come through particularly the engineering T Level routes, but actually we think that some of that defence spending will come through digital routes. The nature of defence and defence spending is changing.



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The second way in which we keep them agile is—Carmel mentioned this in her first answer—the work we do to keep refreshing the content and making sure that it is staying up to date with practices and industry, working with employers. I do not know whether you wanted to say a little bit about that.

Carmel Grant: Yes, certainly. We have an annual change process for the T Levels, so they can be updated every year. If there were a significant change along the lines you are talking about, so defence changes for example—the apprenticeship standards underpin the T Levels, so it is the same standard—we would be updating the standard and then updating the T Level. It could probably be 18 months from a standard being changed to moving into delivery. That includes new content and preparing providers to teach as well. There may be something that requires a different teaching skill. Some changes can be brought in much more quickly, but if it was something significant, I would probably say about 18 months.

Q10 **Mr Betts:** Is it not a potential concern that there will be money for defence, and the skills required to produce the necessary weapons and IT—I completely accept that point—but it will be after this Parliament before individuals with those skills actually come out of the T Level system?

Susan Acland-Hood: As I say, it depends a bit on what the change is. If it is about more volume going through existing pathways, that happens relatively quickly. We have seen colleges respond quite quickly to demand for greater numbers.

The other thing that is important is the work placement element of the T Level, which gets young people into workplaces in the second year of the T Level to a very significant degree. As Julia was saying, a lot of young people then go on to employment with the employers with whom they do the work placement.

You are right that we have to look at a mixture of routes and activities. If we want something that is going to impact the labour market really fast, we have to make sure we are looking at the whole skills landscape. One reason, for example, that we have been investing, particularly through mayoral and combined authorities, in skills boot camps is that they are a 12-week, very rapid programme that pull people into the labour market really quickly. You want a mixture of routes, with some that allow really rapid entry to the labour market, but you cannot train people to do everything in 12 weeks. There are some things that take longer than that, so you need the mixture of routes.

Q11 **Mr Betts:** I will come back to that point in a minute. In terms of the spending on T Levels, you kindly sent the Committee a letter updating us on the recent changes that you are making with regard to the funding arrangements. How confident are you now that you know what T Levels are going to cost in general, and specifically about start-ups and the



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introduction arrangements?

Susan Acland-Hood: We set rates for T Levels that are based on size. We added four additional funding rates to the standard set of 16-to-19 rates because T Levels are a larger qualification than most of those that we offer to this group. They are much more comparable in size with the qualifications that are offered in successful vocational systems around the world. I am really clear about the costs in the sense that we have set those rates, we know what they are and they follow through.

We also offered, in the early years of the T Level programme, an additional uplift that started at 10%. We just announced yesterday that it will be 5% this year. That was to recognise that, as you introduce new qualifications, you may need a bit more funding because your initial class sizes might be a bit smaller, so you do not get the economies of scale that you get as you grow them. We are fading that out because we are starting to see T Levels get really established as a qualification.

The costs are fundamentally a function of the rates we set and the volumes. As we work on the volume projections—and, as I say, we are now tracking our latest projections much more closely—I am pretty confident that we will land in that space.

Julia Kinniburgh: There are two other elements that we also fund. We also fund providers. We give them an amount, which is £550 per student, for establishing the industry placements. We have worked on that and on understanding those costs with providers.

One thing that we announced yesterday was an employer support fund. That is targeted at small and medium-sized companies and health. That is an amount for those companies to help them with the additional costs and, particularly for small companies, to support them to be able to take T Level students, which is a really important element.

We have a really clear picture of the funding and the costs and how those two match together. As the permanent secretary says, we are clear that that is in the right place for this stage of development of the programme.

Q12 **Mr Betts:** You are clear how much you are going to spend this financial year on T Levels. You are certain about the numbers of students.

Susan Acland-Hood: Yes. It is a demand-led programme, so it might vary a bit, but yes.

Q13 **Mr Betts:** What is the impact of the extra funding arrangements that you announced a couple of days ago?

Julia Kinniburgh: That is the 5%. That is basically what we have announced. As the permanent secretary says, we have a funding rate that we apply for T Levels, and that depends on the size of the T Level. All T Levels are larger than the average level 3 programme, so they have an additional amount, which is really to cover the extra hours of teaching,



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but they vary. There are four rates; it depends on which size of T Level it is. They go in.

On top of that, we have applied the additional 5%. As the permanent secretary said, that was 10% to recognise the newness of the programme. As we are now entering into year five, we have purposefully reduced that to 5%, because they are becoming more steady state. We still know that we have institutions that are coming on stream for the first time, or institutions that are taking on the new T Levels for the first time. We wanted to give an additional amount to support those who are coming new into the programme, but we thought it was right to reduce that from 10% to 5%. We are also keeping that additional money for the industry placements, as I set out. All those elements are public and providers are aware of those.

Q14 Chair: This Committee is very keen on numbers. Having reduced it for some but kept the money back for the new entrants, if you like, what is the total net extra contribution that you are giving?

Julia Kinniburgh: It will depend on the numbers that come through in September, because it is utterly linked to the number of students. It will be half the additional from last time, if it is the same number of students, but it will utterly depend on the number of students.

Q15 Mr Betts: But you are certain about the number of students. You just told us you are pretty confident that you know what the number of students is.

Julia Kinniburgh: Yes.

Q16 Mr Betts: You can do an assessment about the total cost then.

Julia Kinniburgh: We could do, yes, but we do not do that assessment to prejudge the number of students. We will have calculated that ourselves, but we do not put that into the budget, so to speak, because we want to have the flexibility. If we actually get higher numbers, that would be something that would be really positive and we want to make sure that we have the flexibility in the budget to fund those. We would not be constrained by that number; we would absolutely keep that figure at 5% for however many students come through. If that number is higher, that would be a real positive to our minds.

To your point about defence and indeed construction, construction is a really good example of the point you are making on defence. We saw in construction that there was a need to significantly scale up the skills to meet the demands across the economy. That is why the construction package was put in, which has an element for T Levels, an element for industry placement and an element that goes into FE colleges through their high-value courses premium, to react really quickly and enable that scale-up.

Q17 Mr Betts: We get the point you are making that there are other ways to



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deliver skills. How do you know, therefore, that T Levels are a cost-effective way, when clearly they appear to be more expensive than other qualifications?

Susan Acland-Hood: We have some incredibly clear pieces of evidence on that, and I will start with a very simple one. We see really good outcomes for T Level learners in terms of their progression into work and further study. It is not just in general that 90% of those who finish their T Levels progress into work or further study, but a bit more than seven in 10 go into fields that are closely related to the specialism of their T Level, and that is a very good rate.

You might be asking, "What about the other 30%?" The figures are not perfectly comparable, but the typical figure for a classroom-based level 3 course is closer to 30% going into a related area of work, of those who go into work from a level 3 course. It has always tended to be higher for apprenticeships because they are closer to the workplace and more linked to that eventual employment. If you think about the investment in skills and whether those skills are then coming through into young people being employed in the sector in which you have skilled them for, we can see T Levels showing significant success compared with other classroom-based level 3 qualifications.

The other thing we see that is really encouraging is that, where T Level students go on to study apprenticeships, over seven in 10 of those who go into apprenticeships go into a higher or degree-level apprenticeship as the follow-on from their T Level. When we look at other level 3 classroom-based qualifications from which people progress into apprenticeships, about half of them end up doing an apprenticeship that is at level 3 again. In other words, they are repeating a level 3 qualification, because the qualification has not got them far enough to go into a higher or degree-level apprenticeship. It is about 24% of most level 3 learners who will go into a higher or degree apprenticeship. Over 50% end up doing one at level 3 and actually about 24% of them end up doing an apprenticeship at level 2, so they will go down the level, whereas T Levels are preparing young people to go into the higher and degree-level apprenticeships, because they are giving them that really solid grounding.

We are still slightly early in the life of T Levels to have the really copper-bottomed evidence of longer lifetime earnings impact, simply because the first people to take T Levels took them only in 2020. Those signals of the proportion of people who are going into work and study, particularly going into areas related to the T Level and going on to higher-level study from the T Level, rather than marking time and repeating, are really good signals of quality and value. Those are some of the things we have been looking at.

Q18 Mr Betts: The comments that have been made about T Levels being 25% more valuable than comparable qualifications are still a guesstimate at this stage, are they?



Susan Acland-Hood: They are our best assessment at this stage. Those lead indicators that I described to you on the progression routes for learners out of the T Level support that assessment. We know, for example, how much more valuable it is to have done a higher-level apprenticeship than to have done one at level 3, so you can infer that back in. It is just that those learners have not actually made it out into the workplace for long enough for us to have done that directly for those young people yet.

Q19 **Chair:** Do you have any information as to how many of those who have taken a T Level go on to another qualification, either going to university or doing whatever higher-level qualification?

Julia Kinniburgh: Yes, we do. Some 44% of those who have completed have gone on to a university degree, compared with 49% who have gone on to work, which is often an apprenticeship but could be directly into work. It is a relatively even split and that is one of the benefits of the T Level programme. The students have the option of either. They have the option that, if they want to take the route through into work and into their occupation, as the permanent secretary said, we have some really strong success measures. If they want to go into university, we have also seen really strong success measures in terms of the proportion of those students who are getting offers being on a par with other level 3 programmes. They have both options and we think that that is a positive and something that gives students choice.

Chair: Yes, most definitely.

Q20 **Mr Betts:** In terms of employers' feedback, apparently you have had some that is positive, but maybe the data is not as robust as you would want it to be. What more are you doing to try to get feedback from employers that you would be more happy to rely on?

Julia Kinniburgh: We do an awful lot with employers to get the feedback, both generally and very specifically. Carmel, I am sure, will want to add on the more specific detail into the programme. We work very closely. We have a set of 900 T Level ambassadors. They are a mix of T Level students and employers. They work really closely with us in terms of giving us feedback about the programme and how it works, but also talking to other employers.

We often find that, as I said before, once employers start taking T Level students, they really scale up because they see the great advantage. For example, I am sure the Mace chair would not mind me saying that, when I was talking to him recently, he said that he was a sceptic to start with; he took T Level students and now he absolutely wants to keep scaling up. Those T Level students are becoming his apprentices. It is actually much more powerful for him to talk to other employers than for me often, because he can explain how it has really worked in the business. We work with those employers. They work within our programme to spread that



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sort of information to other employers. I do not know, Carmel, whether you wanted to add about the specifics of that.

Carmel Grant: IfATE works with what we call route panels, so we have a group of employers for every sector. They scrutinise the materials and changes and indeed provide really valuable feedback if they want changes made. That is triangulated with employer information coming through the awarding organisations, and indeed employers that are providing placements to providers. We get different employer voices coming through at different stages and that has led to some really valuable feedback if we need to make a change quite quickly to the T Level.

Q21 **Mr Betts:** That is a helpful comment. In terms of assessing where you have got to now, in what is a very new programme still, are you still looking to see whether there could be refinements to make them more flexible in terms of the response to changing circumstances, and even make them more cost-effective to deliver desired outcomes at slightly less cost? Are there issues that are ongoing?

Carmel Grant: Yes, we are doing that. We have made a number of changes in response to providers in terms of the delivery of assessment and changes to content. That is the flexibility that we have built in and we continue to refine the T Levels. We do that annually. We do that at every change of procurement as well. We are just going into the second phase of procurement for each T Level. We have reduced some of the burden of assessment—for example, reducing the number of core examinations from two to one in a couple of T Levels and reducing, as I think we mentioned earlier, a particular project in digital, which is quite a substantial project, to reduce the hours. They are very agile and a lot of the changes originate in employer feedback.

Q22 **Anna Dixon:** My constituency has Shipley college, which is offering T Levels. One challenge that it has raised with me is that part of the reason for having T Levels in these sectors is the sector shortages, but that also makes it extremely difficult to hire the tutors. I really wanted to probe on two elements to follow up what has been discussed. One is the funding rate. Are you looking at whether the funding rate for the providers is adequate, particularly on things like digital, for them to actually afford to hire the tutors?

Secondly, as part of your employer engagement, is there any room to help solve this tutor shortage by looking at ways to incentivise either secondments or other ways in which employers can support colleges with meeting those tutor shortages? As I say, that is particularly in areas such as digital and IT, where we know that salary costs in the sector are not at all comparable with the costs that colleges are able to pay their staff.

Julia Kinniburgh: On the second, I completely recognise that. As you say, often in an area where there is a skills shortage you will see salaries rise. That is the basics of economics. We work quite closely on this. In



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terms of whether we could do more with the industry actually putting tutors into colleges, we have been doing some work on that. Various colleges have been leading the way in that. Liverpool college, for example, has its own teacher exchange programme. We have been doing some work with the Gatsby Foundation, which has been running a pilot around this.

It is one of the areas we definitely want to try to encourage. Indeed, one element of the construction package that we recently announced is an industry exchange piece of that programme, for exactly that reason. It is very beneficial. Where it has worked well in colleges, it has been beneficial not only in terms of introducing specific staff members into the college, but also because those staff members, being in industry at the same time, are bringing the latest expertise and are able to share that expertise with the other members of staff in the college. It has had a double benefit, if you like, so we are really keen to encourage that. We are very happy to work with colleges if they want to set something up that is similar or would like to engage with us, so very happy for your college to get in touch if that is helpful.

Q23 Anna Dixon: What about the funding rate though? The industry exchange sounds like a good initiative, but what if the basic funding rate is not there to cover the cost of the tutors?

Julia Kinniburgh: On the funding rate, as we have said, we have recognised that T Levels have a greater teaching burden on colleges and schools. That is why we have not just gone with the base funding rate. We have gone with higher funding rates. We have four different higher funding rates. They are in line with the hours, so we have uplifted it to be in line with the hours. We have thought about that. We have tried to recognise that in the additional funding rates that we have put in for the T Levels.

Then, as I said, we have continued with this additional further uplift. You have the uplift for the hours and then this further uplift of the 5% on top of that to recognise the additional burden. We have been very conscious of that and have been putting additional funding into the sector. The money we put in for industry placements is there for providers, because we recognise that there is also a burden on providers to find those industry placements and make sure they are really positive placements for the students, and to work with the employers. That takes time—it takes staff time, which takes money—which is why we have put the additional element in for those as well.

Q24 Anna Dixon: To clarify, the funding rate is based on the number of hours. There is no differential in funding rates based on the cost of attracting tutors, for example, between IT and digital and, say, catering. I understand that that one is not going ahead, but you take my point. There are very different labour market costs out there.



Susan Acland-Hood: There is a base funding rate that is based on hours. The four T Level funding rates range from £10,980 per student—that is over two years for the smallest one—to £15,188 per student over two years for the largest one, which is a generous funding rate. The standard funding rate for 16-to-19 is £10,052 over two years, so they are significantly higher than the rates for other qualifications. That is based on the fact that there are more teaching hours. On top of that, as well as the 5% uplift, we offer high-value course premiums, which recognise shortage areas and areas where it is harder to recruit.

Then there are some things we have done that are specifically to support colleges with teacher recruitment and retention. They are not T Level-specific because we tend to see that, exactly as you are saying, the shortage is driven a bit more by the subject area than by the qualification type, if that makes sense. The two things I would highlight there are that we introduced a targeted retention incentive that offers eligible early career teachers in STEM and priority technical subjects £6,000 after tax annually. That is over five years, so it is £30,000 in total. That is in addition to their salary.

Something similar was initially introduced in schools. We extended it and levelled it up to cover colleges as well. In schools, you have to be teaching in a school that is in a deprived area to attract the highest level of the premium. In FE, we have said that every FE college should attract the highest level of the premium and we have extended it to cover shortage technical subjects. There are also bursaries to support people through training in shortage subjects, so there is £31,000 in tax-free bursaries for those training in STEM subjects. The “E” of STEM covers the technical end of the STEM category, not just the academic end, and that has been very important as well.

Anna Dixon: It will be essential to deliver on these T Level numbers to get that recruitment and retention and level the playing field between colleges and schools, which is obviously another issue. Thank you for your responses.

Q25 **Oliver Ryan:** I have two questions, if I may. I am not quite sure who to direct this to, but I think there was mention before, Ms Kinniburgh, that 49% of young people who have completed these T Levels have ended up in work. Are you doing a piece of work to take in some of that long-term evidence around what they earn, whether they stay in work after 12 months and how much of a success it will be in the long run? It sounds like you are—you are nodding away—that is a really good thing.

Have you had any feedback from those young people about how they find that workspace? Have you had any feedback from employers about some of the changes, with the Government’s make work pay agenda, of pay levels for young people being increased? How has that affected the take-up?



Julia Kinniburgh: Forgive me if I miss any elements of your question; do come back. Yes, we do, absolutely. We are tracking as much as we can at the moment. As the permanent secretary says, the first cohort finished their T Level in 2022, so those people have been in the workplace only two years. We have the ability, through something called the longitudinal educational outcomes study, to match education data to HMRC data.

We will use that capability over time to understand how long they remain in those different sectors, what their progression is and what it looks like in terms of earning outcomes. As the Chair said, we have made an estimate of that, but that is our best estimate based on the evidence we have. We will be checking that estimate against the actuality as these students go further through their careers. As the permanent secretary said, we are very pleased to see the outcomes that we are seeing in terms of the proportions who are progressing and those who are progressing to those higher-level apprenticeship outcomes.

We have had really positive feedback from students. I speak to a lot of T Level students. If you ask a T Level student why they chose the T Level, the most frequent answer is because of the industry placement. That is the defining feature; that is what they wanted. When you talk to those T Level students who have been in the industry placement, often their ambition is to achieve an apprenticeship at degree level in the industry that they have done their industry placement in. We are seeing that it is around 75% of them who are successful in that, so that is great.

When you speak to them—and there are only a few of them, obviously, who have managed to make this jump; we have seen individuals who have done the T Level, done the industry placement and been taken on as apprentice—they are really pleased to have made that leap. At that point, they are 19 years old. They are working in the industry that they want to work in, have a specialism and can see a really clear career path, so they have seen it as a real positive.

That is why our ambassador programme has grown and grown, partly because so many people want to spread the word. I met a T Level student in a college the other day. I said, "How come you are doing a T Level?" He said, "Because my cousin did a T Level and he told me how brilliant it was." We do a lot of promoting of T Levels, but you will probably listen to your cousin more than you will listen to the Government promotion, so it is great that they are out there spreading that.

I will always ask the T Level students, "What is your feedback? Tell me what you would want to change if you could change anything in the T Level programme." It is not only from employers that we had feedback about the level of assessment. We had some of that from the students. We take all that seriously and bring that back in.

Q26 **Oliver Ryan:** I will briefly follow up on that; I suppose that you have



answered a bit of it anyway. I represent a constituency in east Lancashire, which has a big historical manufacturing base with great colleges. I am very proud of it. There are a few big employers that have spoken to me since the election that talk about their skills shortages, and none of them has mentioned T Levels. I have admittedly not mentioned T Levels, but I feel like I should have probably known more about them and they should know more about them—people should be talking more about them. I accept that they are a word-of-mouth thing, but what more can you do to attract some of these employers? Some of the problems that they are talking about could be addressed by T Levels with more close partnerships.

Julia Kinniburgh: We are seeing the awareness go up. It is now at about a third of employers when we look across the piece. That has risen quite substantially over the last few years, but we need to do much more. We do a lot of work promoting T Levels generally, but also promoting them with employer groups. I talk to business groups an awful lot about T Levels and about how they fit in, really enabling people to see them as part of this pathway into apprenticeship. That is really helpful for people to understand: it is not a separate programme; it is part of a pathway through.

For you as an employer, in a way, you have a great opportunity to pick the talent of the future, because they are in your institution for nine weeks. They are working there. You can see who is going to thrive and pick the talent of the future.

We completely accept your point. We want to keep promoting this. We have an awards event each year, which various businesses sponsor for us. It used to be just the apprenticeship awards. It is now the apprenticeship and T Level awards. We have our T Level student of the year and our T Level employer of the year. We are really trying to make sure more and more people are talking about it, so please talk to your employers about it.

Q27 **Chair:** When Oliver has done that, if they would like to talk to you, you would be more than happy for them to do so.

Julia Kinniburgh: Absolutely, yes.

Q28 **Chair:** Permanent secretary, the primary purpose of all this is to give our youngsters the very best technical training they can get. That is what we are all about, so I am sorry to ask questions about money, but this Committee is about money. You have spent £1.25 billion on this project so far. The NAO, in paragraph 13, estimates that from the information available at the moment, an average T Level student will gain an extra £23,000 over their lifetime. How do you assess, in terms of economics, that these T Levels compare with the alternatives, so either a degree or a level 3 apprenticeship?

Susan Acland-Hood: We estimate that T Levels are about 25% more valuable than other typical classroom-based level 3 qualifications. That is



about halfway between the value of level 3 classroom qualifications and level 3 apprenticeships. We still see apprenticeships as a very valuable qualification and the outcomes from apprenticeships are strong. Your likelihood of ending up working in a linked field if you go through an apprenticeship is high, not very surprisingly, because an apprenticeship is a job. We know that the ability to offer apprenticeships, because an apprenticeship is a job, is constrained by the number of people who are able to offer them.

The T Level is trying to increase the value of something that is classroom-based but has a much stronger work-related element and has significantly more hours than our typical level 3 vocational qualifications associated with it. As I say, this is quite linked to the questions that have been asked just now on how we assess the value as we start to see those learners go through into the workplace.

At the moment, the positive signs are that 90% of T Level learners are in work or further study and seven out of 10 of them are in a field linked to the T Level, which is a really good rate compared with classroom-based level 3. Of those who go on to do an apprenticeship, the vast majority are doing an apprenticeship at the next level up, as opposed to those other level 3 qualifications, which tend to lead people into repeating a level 3 apprenticeship, which clearly is not as good value for money as seeing people progress.

To add to the point about student feedback and satisfaction, seven out of 10 T Level students say that they think their T Level prepared them very well for the workplace. That is about 10 to 15 percentage points higher than most comparable level 3 qualifications, including other technical vocational qualifications. For interest, the proportion of students who say they think their A Levels prepared them well for the workplace is about 34%, which is fine, because that is not what A Levels are for. We see students reporting to us that this is a qualification that is preparing them well for work and all of the indicators we have say that too. We will keep that assessment under review as we see more of the students go through into work.

Q29 Chair: That is really what I was trying to draw out from my question: that you will continue to review this and gain data as more students go through the system. Of course, that is only an average figure. To take Anna's point, some get less well-paid jobs at the end of that T Level. Inevitably, a hairdresser does not get paid as well as a digital person. That £23,000 is an average, is it not? You will keep asking them through the questionnaires and reviewing that figure.

Susan Acland-Hood: Yes.

Q30 Chair: That is really helpful. Moving on, as the accounting officer in 2024, you had to issue a qualification in terms of feasibility of delivery. Do you want to say anything about that?



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Susan Acland-Hood: Yes. It was not actually me; it was my predecessor, who was the accounting officer, who asked for the direction. He asked for a direction because he was concerned about the extremely ambitious pace that had been set for the introduction of T Levels. He asked for the direction really specifically about the pace of introduction. The Secretary of State at the time looked at that and chose to give the direction. The Department then did what the Department should do when it is given a direction by a Minister, which is that it worked really hard to make it happen and we introduced on the timetable.

The fact that we introduced 16 of the T Levels on the original timetable but had five where there was some delay might say to you that identifying that this was a very ambitious timetable for roll-out was a reasonable thing to do. As the Department, we have been making sure that we plan for what Ministers have asked us to do and deliver it to the very best of our ability.

Q31 **Chair:** We may be talking apples and pears here—I do not know—so let me try to clarify. I accept that your predecessor asked for an exception initially, but then, according to my note, in April 2024, the accounting officer—that is presumably you—updated the programme of accounting officer assessment, noting feasibility risks associated with the introduction of new qualifications and overlapping level 3 qualifications.

Susan Acland-Hood: I am so sorry, Chair; you are quite right. I apologise—I answered a question you had not asked. Yes, in 2024 you will remember that we were looking at the programme for defunding other qualifications. In the light of that, I was noting that that was going to have an impact on the original trajectory for the numbers, which we have seen play out in the reassessments of the numbers. That was what I was identifying in that accounting officer assessment.

Q32 **Chair:** As a follow-up, you are following up this feasibility aspect of it. Is it going in the right direction? I suppose that that is what I am really trying to get at.

Susan Acland-Hood: Yes, it is.

Q33 **Anna Dixon:** We have talked a little bit about the take-up of T Levels. I want to particularly look at this from the student's perspective. Obviously there will be a number of factors in students' choices around whether T Levels are the right thing for them. The NAO Report sets out some issues about awareness, the appeal of T Levels and whether they have the entry requirements in terms of prior attainment. Please, if you feel you have already covered this, do not necessarily repeat. What is your assessment of what the challenges are to getting more student numbers and more demand? I am looking at the demand side. What are you doing to address those?

Susan Acland-Hood: I might bring Julia in to build on what I will start by saying. As you have to do when you introduce any new qualification, we have invested quite heavily in national communications campaigns to



raise awareness. They have existed since 2019 and evolved over time. They incorporate advertising and PR, but also partnership activity, including with routes such as Snapchat. They are quite heavily targeted on young people. My daughter, who is in the right age cohort, sees a lot more of these adverts than I do.

We also have been working hard to raise awareness with schools and with our careers partnerships. We have been working through key moments. For example, on T Level results day, alongside A Level results day, you will always see the Department communicating heavily around T Levels and the results for learners. That is part of the communications work that we do. There is T Levels Week and T Level Thursday, which is part of National Apprenticeship Week. We gave T Level providers careers guidance grants of up to £10,000 in 2023-24 to support innovative careers activity to promote T Levels to prospective students.

Julia has already mentioned the T Level ambassador network, which has more than 900 members now. We are looking at creating some regional networks as part of the network as it grows. We see those ambassadors being incredibly powerful in talking to their colleagues about T Levels. Parents, peers and providers are also really important. Students will often take advice from their college. They will quite often come saying that they want to study in a particular area, but take advice from the college about the qualification within that. That is also an incredibly important part of the route, so the supply and demand get intertwined a bit in that.

We still see this strong growth year on year in people coming through into T Levels and that compounds. It means that you have more people who have done one who can talk about it to their peers, so you can see a compounding effect over time.

Q34 Anna Dixon: Probing on that peer point, Shipley college pointed out that one challenge is that it is a lot more demanding. It is many more hours both of study and in placement. For some students, perhaps in terms of affordability, they might need to be working part time to earn some money. They have other interests in life outside of studying. Do you think that there is a risk of a lack of equivalence? This is a concern for me.

If you are a student choosing between other level 3 qualifications and a T Level and you hear from peers just how demanding it is, that might well be somewhat off-putting. You could say, "If I did A Levels, I can still do that casual job and go out and have some fun." Is there real equivalence here, or are we putting students off by demanding too much of them?

Susan Acland-Hood: T Levels are demanding and ask for more hours of students' time than quite a few other level 3 qualifications. We hear from students, and certainly I hear from students when I talk to them, that they understand that the value that they are getting from that is worth it and that the outcomes are stronger.



The one thing I would say about the hours is that, if you look at the hours requirements for other countries around the world that have strong vocational and technical programmes, actually our T Levels are still at the lower end of most of those. A T Level is about 1,300 to 1,600 hours over two years, which is between 660 and 840 hours a year. That compares with 640 hours for an average level 3, so they are bigger but not crazy bigger. In Canada, the median is 935 hours a year. In Denmark, it is 1,000 hours a year. In Finland, it is 700. In France, it is between 780 and 900. In Italy, it is between 890 and 1,155. They are still slender compared with powerful international comparators.

Q35 Anna Dixon: I would not want to suggest that our UK students are workshy in any way and would be put off by that. They are extremely studious. There was no doubt that the ones who I met at Shipley college, who were doing their healthcare and doing an amazing placement at the local Bradford Royal Infirmary hospital, were very committed and that it was going to turn them out as really employable young people. They were very committed to their studies. It raises the point about whether, for example, some of the assessments could be shorter. Could there be options for some of the more practical live assessment, so just making them more attractive, I guess, to students?

There are two other concerns that I will put and then you, Ms Acland-Hood, or others could answer. From a student's perspective, there is the over-specialisation. When I look in the NAO Report, there are about four different types of engineering and manufacturing. I know that, within healthcare, you have dropped the midwifery. Would it not be better to allow students to choose a broader subject rather than this over-specialising in terms of a pathway? A lot of people argue that 16 is too young, perhaps, to be making such choices.

The other aspect of this is it being all or nothing. If you are doing three A Levels and you miss out on one, at least you have the other two on your CV. With the T Level, even if you pass all of your assessments but just miss out on a few hours of placement, you have nothing to show for all of that work. Is there any way that you could look to adapt to allow students to get more credit for what they have completed, so it is less all or nothing? Do you see these as factors that may put students off? Are you sorting them out?

Susan Acland-Hood: Again, I might bring Carmel in. The point about keeping on taking feedback and thinking about things such as the assessment burden is absolutely part of what we are doing. We have good examples of where, as we have gone through the second generation, we have looked at opportunities to slim or rationalise. We are always trying to do that in a way that retains the quality, progression and outcomes for students. Of course we can do that. We should keep learning, iterating and doing that as we go through.

On the point about specialisation, typically T Level students will do more of that specialisation as they go into the second year. They do not



necessarily have to have narrowed down on the specialism from the first minute they start the T Level. The core is broader than the occupational specialism. Typically, students will do more work on the core in the first year and then work on the occupational specialism in the second year, although colleges have a bit of flexibility about that.

There is definitely something about a T Level pathway being suitable for a young person who, at 16, broadly speaking, knows what occupational area they want to go into. That will not be true for every 16-year-old. That is why it is important that we are retaining smaller qualifications that can be put together in combinations that might give you a broader pathway. I meet lots of 16-year-olds. Some of them do not quite know what they want to do. Some of them really do. They want to get started and do it and do it really well. There is something about designing a qualifications landscape that has routes for people who have that clarity but also has some space for people who are still testing or exploring what they are doing.

On the all-or-nothing nature, again, if you know what you want to do and you want to really get skilled in your occupational specialism, doing one large qualification does slightly have that feature. We have looked at how we can certificate the things that people have done. The example you gave was on the work placement. If you have not quite finished your work placement by the end of the T Level—last year 97.5% of T Level students had finished their work placement—you have two years in which you can complete the work placement and still get the T Level. We have some space for people to finish that off and still get the T Level. We also have a mechanism for certificating all the elements you have done. Even if you do the core, for example, but do not get on with the occupational specialism, we have a way of certificating that.

Julia Kinniburgh: We have a way of allocating UCAS points for it.

Susan Acland-Hood: We have a way of getting UCAS points for it as well.

Q36 **Anna Dixon:** This is the key point. You talked about half of them perhaps wanting to pursue university entry. If there were a delay on completion, that would affect people's ability to take up places at university. Has that problem largely been solved by giving UCAS points?

Julia Kinniburgh: We give UCAS points. You have to complete the industry placement for that, but we give UCAS points if you have completed both the core and the occupational specialism, which is to recognise exactly your point about it being all or nothing. If you take three A Levels, you could pass two and fail one and still potentially progress. That is why we have made that UCAS point.

On the industry placement, as the permanent secretary says, we have given this flexibility of an additional two years. For those who are not completing, it is often due to personal circumstances. We wanted to give



that flexibility so that they have the opportunity to complete. That is how we have built in that flexibility.

Q37 Anna Dixon: Are you confident, then, that by both making it more attractive and doing your public awareness campaigns you are going to close the gap? At the moment, half of prospective pupils are still unaware of T Levels. Where do you expect that to be in another year's time?

Julia Kinniburgh: We still have a gap to close, as you say. Over two years, we saw a jump in awareness of around 30 percentage points. That is really good. About 86% of teachers in key stage 4 and 5 are now aware of T Levels. They are schoolteachers. We have not spoken particularly about that, but that is really important. They will be the people talking to 15-year-olds about their choices and making sure they have those choices.

We want those figures to grow. We would love everybody to know about T Levels. We are not taking our foot off the pedal on public awareness. We have our various campaigns. They are still running. We are growing our ambassador network. We are using that more and more. We recognise the point. We want more and more people to hear about them.

As I say, those numbers are jumping pretty substantially in terms of awareness year on year. As the permanent secretary said, the more people who take them, the more people go out into the workplace and the more employers sign up. That has been a real positive, but we are not complacent about that.

Q38 Anna Dixon: There is a stop-start approach. To some extent, it is due to a lack of interest. Certain T Levels have either never made it to delivery or have been withdrawn even before getting going. Then you have these other ones such as healthcare science and onsite construction. Students have enrolled, but they have subsequently been closed to further entry. This chopping and changing does not give students a lot of confidence when applying for T Levels. Can you say a bit more about how you can offer more certainty about the subjects that are going to be available and the viability of the different specialisms?

Julia Kinniburgh: I will start and then Carmel might want to come in. The two that have been withdrawn, the healthcare specialism and onsite construction, have not been withdrawn because they are not valuable qualifications for those individuals. They are still really valuable for those individuals who are going through and have gone through those. As we have talked about before, we are really keen to iterate the programme and hear from employers. Employers were saying, "There are different routes through."

In the healthcare one, to your point about over-specialisation, we have two other pathways in that route. We thought we could easily drop those elements into those other routes. Where there are specific areas that need to be covered, they are often better covered by apprenticeships. We



have done all of that in discussion with providers and employers. There is no suggestion that these are not valuable qualifications to any student who has taken those. They really are. It is about whether this is the best pathway for those individuals.

In terms of the ones that have not come through, such as catering or hair and beauty, when we started the programme we had intended to introduce those. As we get closer to introduction and start doing the detailed work about the content and having those detailed conversations with panels, that is where we talk very closely with employers about, "Is this the right route through? Is this what you would like? Are there alternative routes?"

I do not know whether you wanted to pick up on that point, Carmel.

Carmel Grant: We keep all T Levels under review on the basis of various factors and criteria. That includes the demand and the feedback, which we talked about earlier, from providers and employers on how T Levels are working. In the particular cases of catering and hair and beauty, we did not take those decisions lightly. We looked at the evidence that was available and found there was alternative provision that probably works better.

In terms of catering and hospitality, particularly in the apprenticeships space there are alternative level 2 and level 3 apprenticeships. In hair and beauty, we took a split decision. We decided to stop the hair side of it, and then we looked at whether we could create a beauty T Level. Again, in consultation with employers and providers and looking at what the wider offer was, we decided that the offer would be better in the apprenticeships space or indeed in alternative level 2 and level 3 qualifications.

Q39 **Anna Dixon:** It sounds like you do a lot of engagement on the employer side and these decisions are being very driven by employers. Are you doing student engagement? Do you look at where the demand is for different subjects and what choices students would like to have available to them? From what I have heard, that seems a bit lacking.

Carmel Grant: Both IfATE and the Department have had student panels specifically for T Levels. We take evidence through those. The students are quite early on in the process. They have already started their T Levels. We have taken evidence from students. That has resulted in some of the changes to the titling of T Levels that were not very clear. We have taken feedback on content. We also take feedback from the providers—colleges and schools have also provided feedback—on behalf of students as well.

There is quite a round of feedback evaluating that. We continue to do that on an annual basis in terms of any changes or decisions that we need to make.



Q40 Chair: Can I return to the question with which I started at the beginning of this discussion about employer placements? In August 2023, your Department estimated that the constraints imposed by shortages of teachers and industry placements could limit places to around 48,000. That compares with an aspiration of over 66,000 by the year 2029. Have you reassessed that limit or ceiling that is imposed either by the number of teachers or employer placements?

Susan Acland-Hood: Yes. That assessment was made assuming that we did not make any changes to the structures and systems around that. We have since made some quite significant changes, particularly to the flexibilities on industry placements. Again, we listened really hard to what employers told us about what would make it easier for them to deliver those placements.

Our assessment now would be that we do not think industry placements will be a constraint on getting us to the targeted figure. Do you want me to run through the changes that we have made?

Chair: Yes, that would be really helpful, please.

Susan Acland-Hood: The main change was made in January. Fundamentally, it was about trying to make sure that our approach to placements keeps pace with what the modern world of work is like. We had been very clear that we did not want any part of a student's placement to be hybrid or remote. There were quite a lot of employers who have significant hybrid working arrangements for all their staff. Those employers found it very difficult to integrate a student who could not do any of their work remotely.

We now allow up to 20% remote or hybrid hours for all T Levels and more than that in digital T Levels, because in digital employers those arrangements are particularly prevalent as a normal way of working for their staff. We do not want to go beyond that. We still think it is very important that there is a strong face-to-face element in the work placement because we think that is important for the young person's learning and engagement. The early analysis from polling employers suggests that those flexibilities could create something close to a 55% increase in the number of placements offered. That really was proving a constraint for employers based on their ways of working.

The second shift that we made was around allowing some elements of some placements to be done in simulated environments. That is particularly important where you have quite high risk levels in taking a 16-year-old into your business and setting them off on something in the real world. Again, we do not want anybody's placement to be wholly simulated. We do not think that is right. It has to be real work in the workplace. Again, allowing them to do some work in a simulated work environment before they go into the real work environment has unlocked some employers who were worried about the risk profile of bringing young people in straight off.



Q41 Chair: Your answers have stimulated a further question from me, which I was going to ask you in my mop-up towards the end. Cirencester college makes the point that there is in Cirencester a very successful game design company. They get the placements involved in some of those aspects. Games is a very interesting industry because it involves mathematics, art and marketing. They make the point that, when they get involved in T Level placements, sometimes they might be involved in manufacturing a game for California. Naturally in that industry, a lot of that is done remotely. If the placee, if that is the right word, is racking up against the 50% limit, they say that is a constraint. I wonder whether a bit of flexibility could be offered there.

Susan Acland-Hood: That is one of those things that we will keep under review. As I say, at the moment we have said 50% remote for digital, recognising that there is a lot more hybrid and remote working in digital sectors than there is in others. We have been reluctant to go to something that—

Q42 Chair: They are looking for some slight flexibility as a one-off.

Susan Acland-Hood: That is certainly something that we can look at.

Q43 Chair: That would be really helpful. What assessment have you done to determine the maximum number of placements that employers can offer and providers can support? I note that you used to provide a £25,000 incentive for placements. You have now abolished that. According to Cirencester, there is still a problem finding the number of placements. I imagine they are probably at the upper end of the number of students to whom they offer T Levels. Is there more that you could do to help them?

Susan Acland-Hood: We provide £550 per student to the provider to help them arrange the placement. In some cases, they will pass some of that on to the employer. Again, we give them some discretion because we know the cost base and challenge for employers is different across different sectors.

The other thing that we announced yesterday was the employer support fund, which is a targeted fund for the academic year 2025-26. That is focused on SMEs because we know that the costs and barriers to SMEs starting to employ T Level students can be particularly high. We think that will also support some of the other challenges. Again, it can be easier to find work placements in some areas than others. Unlocking SME participation will help us with some of those geographic differentials.

An element of that is particularly focused on health because there are some really specific up-front costs on health. Students need vaccinating; they need DBS checking; they need uniforms; they need PPE when they go into health placements. There are some very specific costs there that the employer support fund will help with.

It is also worth coming back to the point that Julia made earlier. There is also something about just getting more employers to dip their toe into



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the water and take on their first one or two T Level students. Some of it is not about cost. Some of it is about unfamiliarity. Again, sometimes people have overly heightened levels of anxiety about having 16-year-olds in the workplace. You overcome that when you try it.

As Julia said, Amazon took six industry placements three years ago. They now take 100. We expect and, more importantly, they expect to see that grow further. We have seen similarly rapid growth trajectories in lots of the other employers that we work with. Typically, people do not start and then pull out. They start and then they grow. Getting people to take their first T Level student and to try it for the first time is a really important part of the strategy.

Q44 Chair: In a rural area such as mine—it is partly rural—there must be all the difference in the world between persuading an Amazon of this world to take on people, even 100 of them, and persuading a little employer in my constituency that employs only 10 or 15 people to take one extra person, given how much supervision they are going to need and so on. How do we persuade the smaller businesses to take these people on?

Julia Kinniburgh: That problem is exactly why we have put in place this employer support fund. That is directed at those small companies because we know that it is much harder if you are a smaller company than if you are Amazon. To take on an additional person, you will need some support. We have funding for the college to reach out to those employers, but we also now have this fund to help those employers with the additional burden, if you like, of taking on a T Level student. We are trying to address both ends of that.

The other element that I was going to add is that we have also done some dedicated work with the health service over the last year to work with them on how to take more placements. It is great to hear that your college has some really great placements. I too have seen T Level students who are doing brilliant things with the hospital over the road from the college. We have had some trusts that were a bit more reticent and were not very clear on how this would work and how they could take on 16-year-olds. We worked with the NHS to have what we call placement co-ordinators. We have had seven of those over the last year. They have done a brilliant job. We have seen the placement levels rise really substantially.

Susan Acland-Hood: They have more than tripled.

Julia Kinniburgh: Yes, exactly. We are going to fund them again for another year. That is really important because there is a massive opportunity in the health service. I have also heard of students who are not only doing their placement in the hospital but also, instead of doing part-time work in retail or hospitality, doing part-time work in the hospital. That is a double win for the student and the hospital. There is a really great win-win situation across the health service, but we wanted to help to enable that to happen. We continue to try to think about and



innovate with those sorts of things. We will track what happens with the employer support fund. As we have said throughout, we will iterate it if we need to do more or do anything different to help small employers.

Chair: That is a really helpful answer. I have asked Cirencester for a follow-up visit. I shall certainly ask those questions as to what sort of relationship they have with our local ICB.

Q45 Sarah Hall: I have also been doing a lot of work with education providers and employers in my constituency with a variety of sectors. We have some really big sectors in Warrington South. In Warrington as a whole, we have the nuclear sector, engineering, electricians and so forth. We also have an upcoming skills shortage. We are looking at how we can create a skills pipeline in Warrington.

One of the common responses that I get from the employers that I am meeting is that there is a reluctance to take on students for placements due to concerns around practical application. They would rather have a young person who they can train from scratch with the skills that they need straightaway. They would rather train them in that way rather than necessarily in the classroom. Last week I met an electrician called Stuart, who set up a training academy himself. He works with our local UTC. The idea is that 16-year-olds can go into a mock-up facility where they can learn to wire up plugs and get the basics done with a very quick turnaround. It is a four-week period. They are also doing the classroom work as well.

I have two questions. First, is the balance between classroom time and practical time right? Secondly, what is being done to ensure that education providers and employers are working symbiotically and really understanding what employers' needs are and how that is evolving through time?

Susan Acland-Hood: I might bring in Carmel on the design of T Levels. Again, it is important to say they are one part of a wider skills landscape. They are a really important qualification, but they are not the only one. In a sense, the lesson from some of that work that Carmel was describing on catering and hair, barbering and beauty therapy is that you really have to understand what the right skills pathway is for the occupation.

T Levels are designed for places where there is both an important core element that you need to master and some practical elements. They seek to bring those together. Those elements have been designed collaboratively with employers. Employers have shaped exactly what is in both the core and the occupational specialism as part of the T Level.

Those questions about whether we have got the balance perfectly right are exactly the questions we keep asking and iterating on. We will keep hearing from students and employers, and we will work through these issues every time we are working through the qualification.



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Lots of this depends on who you talk to, does it not? One of the things that I have heard from employers is people being worried about taking a 16-year-old into their business and them not knowing anything or being able to do anything, and then being really pleasantly surprised by how much the students know and can do. Typically, students will do their work placement in the later part of the T Level, having got quite a strong grounding in their core. I have certainly had employers say to me, "We were a bit worried this would feel a bit like giving someone really long work experience and they were going to make a lot of tea for us, but when they turned up they knew a lot; they could do a lot; and they could really contribute to the business and do things that were worthwhile." It is absolutely right that we keep testing and asking ourselves those questions about the balance.

Carmel Grant: In terms of the design, the original design of the T Level was the core, as the permanent secretary has just mentioned. That is the knowledge of a sector. The specialism is the practical side. Throughout that, we also have an employer-set project that is set by the employers. That happens quite early on. What we have found in the roll-out of T Levels is that many providers are not just teaching the core for a year and then moving into the specialism. They are starting to teach the specialism much earlier, so you are getting that practical application and you are taking the knowledge and applying it practically. Those who are then going out on placement are then able to apply it. The model has evolved since the early days of T Levels.

Q46 **Sarah Hall:** There is one issue that comes up repeatedly. If you are a young person training to be an electrician or an engineer, for instance, you might turn up on site having only read in the classroom about how to use certain tools. There are concerns that these young people will turn up on the day not knowing how to use tools or do whatever else is needed.

Julia Kinniburgh: Often, T Level students will use those sorts of tools in their college. That is partly why we have provided the additional money for specialist equipment: so that they do have those tools.

Q47 **Sarah Hall:** Is that a communication issue, then? That is not feeding through to employers.

Julia Kinniburgh: We need to keep ensuring that we can show that those fears that employers have are not the case. The best way of doing that is for colleges to have those deep connections with their local employers and for local employers to come and not only see but work with the college. I was in a college recently where one of the local employers is funding some additional kit in the college because that kit is what they use.

Q48 **Sarah Hall:** That is happening in my local UTC as well. That is best practice. That is the gold standard; that is how it should be. My concern is whether that is happening elsewhere. Is that generally happening more widely?



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Julia Kinniburgh: Partly because we gave that additional funding for specialist equipment, I have seen multiple colleges that have bought equipment. It is very difficult to have exactly the same equipment for every single employer in your locality. They might have to get something that is the best fit they can have. Certainly, I have seen many T Level students who are operating that within the college and are then able to apply those skills when they get into the industry placement.

As we have said, we want to keep building this and keep understanding. Yes, there is something about giving that information to employers, but it is also about hearing from employers if they have a concern about a programme or a particular place. The best thing is for the college and the employers to talk together.

I know that the colleges do an awful lot of work on this. One of the things we should recognise is that none of this would have happened without schools and colleges doing tremendous work in the last four years to build this. They have done some amazing work to get this programme up and running to the great place it is in. The relationships they have built with local employers are incredibly strong, but, as always, we want to keep building that and keep supporting them to make them even stronger.

Chair: Julia, the longer you give evidence, the more questions you put in my mind.

Julia Kinniburgh: That is fine. We are here all day.

Q49 **Chair:** I have a couple of questions, and then we are going to take a very short break; I do mean a short break. A minute or two ago, we were discussing working with the local health bodies. What work are you doing with other Government Departments, such as the Department for Business or the Department for Science? I can see lots of possibilities when I think about this.

Julia Kinniburgh: We are doing an awful lot of work with them, as you would probably hope. We talk to them an awful lot not just about T Levels but about the skills picture across the piece and the skills landscape. In particular, Skills England is leading work at the moment to understand the skills gaps within specific industries, which is being done jointly with those Departments and the work that they are doing with employers. That work is bringing those Departments and those employers together with Skills England to understand those skills gaps.

We work closely with them on understanding what is the best way to fit those gaps. Is it through apprenticeships? Is it through T Levels? Is it through something else that they particularly need? That work is partly what led to the construction package that we have recently announced, but that is not the only area where we are having those conversations. That includes defence and digital. It goes across the piece.



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Within that, we also talk to other Departments about T Levels, where they fit and about how they can be used to great advantage in their different sectors and spheres. That is really positive. That allows us to solve problems on skills gaps collectively across Government. It is a large part of my team's job and my job to make sure that is a whole-of-Government effort.

Q50 Chair: That is very good. There is one final question from me. How will you work with local skills improvement plans, LSIPs, to increase the number and range of industry placements available?

Julia Kinniburgh: That is a very good question. The local skills improvement plans are run by local employer representative bodies. They are also relatively new, but they have been really successful in setting out the needs of that particular place and the employers in that particular place. We talk to them about where T Levels fit within that. We have encouraged them to have conversations around that employer representative body table about how they could, as a group, provide more placements and encourage other employers to provide more placements. We want to continue doing that.

In the devolution White Paper, we were clear that those LSIPs, as we term them, should be jointly owned by the mayoral strategic authorities as well as the employer representative bodies. We also have conversations with the mayoral strategic authorities about the really important role that they can play in helping to bring T Level placements into their area because of the strong connections that they have to business. We want to keep using all the tools at our disposal in this area to try to maximise provision.

Chair: That is very helpful. We have examined placements in quite some detail. We will have a short break now; I really mean a short break. We will come back at about 11.55 am.

Sitting suspended.

On resuming—

Chair: Welcome back to the Committee's hearing on introducing T Levels.

Q51 Anna Dixon: In the NAO Report, paragraph 2.8 shows the year-on-year decline in the number of students passing. I also understand from my local college that it only really counts for anything if you pass with merit. I did not see a breakdown here about the pass with merit ratings. If we compare the numbers with A Levels and other technical qualifications, you were achieving 97%, 98% or 99%. Could you say a bit about why there has been this decline both in completions and passing? What would you be expecting the target for that to be in the future?

Susan Acland-Hood: The pass rates have been over 90% for all of the first three T Level cohorts. About two thirds of those got a merit or



above. Incidentally, I do not agree that a pass is not worth having. They are well respected and they lead to great progression for learners even at pass.

Over time, we have introduced more T Levels each year. Each year, you are comparing some T Levels that are established with others that are being taught for the first time. We would always expect to see some development in pass rates as a qualification gets better established and people understand it more. We have seen really strong pass rates in some of the qualifications that have been running for longer. The highest pass rate is in the education and early years T Level, which was one of the first introduced. That has been strong since its first year of operation. That has sat around the 98% mark. Digital business services, for example, had a 76% pass rate in its first year of operation, but that has risen to 97% in its second year of operation. You have to disaggregate a little bit within that headline and look at how long the T Level has been in operation.

Q52 Anna Dixon: You are expecting that it will be higher for the longer-established ones. This was the second part of my question. What are you aiming at as a target?

Susan Acland-Hood: We do not set a target for it, but we would expect to see pass rates slowly rise as the qualification gets more established and better understood. The other countervailing factor, though, is that we started by allowing only colleges that were good or outstanding to teach T Levels and we then opened them up to a wider range of providers. You would expect good and outstanding colleges to see stronger pass rates than less high-performing colleges. You are seeing a bit of that in the change over time.

The two things that you are seeing in the pass rates at the moment are that we are still introducing new T Levels each year, which is shaping the picture, and that we are growing the number of providers. We would expect to see that settle as we get all the T Levels introduced and as we expand to the full range of providers.

Q53 Anna Dixon: In terms of completion, the other factor in the Report is about students who do the foundation but do not necessarily progress. Again, what would you want to do to ensure that more of those who start end up completing? In particular, how can we ensure that more of those who take the foundation go on to complete the full T Level?

Susan Acland-Hood: There are two things there. First, there is the completion rate for T Levels. We see some learners change pathway. We also see some learners drop out of T Levels and move into work. Some people do not finish. They go and work out of their placements. That may feel like a good short-term outcome for the student, but, again, we have been working with colleges and employers to say, "Even if you think this person is great and you want to take them straight off their work placement, support them to complete their T Level rather than just



getting them into a job.” We work, by route and by provider, on that completion rate to look at what is driving lower completion rates and to try to address it.

The T Level foundation year leads well to level 3 study in general, but it is leading better to overall level 3 study than it is to T Levels. It has a better progression rate into level 3 study than most level 2 qualifications, but T Levels still make up a very low proportion of that. That is something that we are looking at. That has also been picked up on and focused on by the curriculum and assessment review. We are looking at that as part of the CAR’s work as well.

Q54 Chair: On this very point—I was going to ask about this later—there is quite a low figure in the Report. It says that, “in 2021-22, 85% of the 3,194 starting the course completed the foundation year, from which 8% progressed onto a T Level.” That may be an out-of-date figure because it was 2021-22, but it does seem a very low conversion rate.

Julia Kinniburgh: It was much lower than we would want it to have been. We started the T Level foundation year with the expectation that it would have a higher conversion rate. As the permanent secretary says, one of the positive outcomes of it is that it is having quite a high conversion rate into other level 3. These are people who were not necessarily ready to go straight into a level 3. They are now progressing into a level 3.

We have been doing some work to try to understand why they are not converting into the T Level. Some of that is around the fact that some of the people who were put on to it did not necessarily want to go on to a T Level. They were put on to it as a way of improving their skills to take a jump to level 3, which is not a negative. We should take the positives from what we have learned. We are reviewing how we could make this programme more dedicated towards successful progression into the T Level. As the permanent secretary says, it is one of the areas that Professor Becky Francis wants to look at in the curriculum and assessment review, which is due to come to fruition in the autumn. She is looking at that at the moment. We are engaging with her on that because we would like to see more people progress into the T Level from that foundation year.

We are taking the positive that it has allowed people to progress to level 3—let us not lose that—but we want to understand how to capture that and potentially have something more specific for T Level progression. We want to understand what has not worked. That work is under way at the moment, but it is a very good point that we are very conscious of.

Q55 Chair: I do not want to steal your thunder, Anna, but you pointed a finger at this in one of your earlier questions. The perception among some youngsters is that these T Levels are quite difficult and involve a lot of work. Maybe we could do more in that foundation year to show them that these are thoroughly worthwhile qualifications.



Julia Kinniburgh: It is a good point. One of the things that we would like to do is to shout more about some of the statistics we have given you today about the really positive outcomes. We want to make sure people understand this. As a student, if you could see that three quarters of people went on to employment or higher-level apprenticeships, that is a good selling point, is it not? That is something really positive.

We have also seen the retention rate generally improve. It has jumped from 68% in 2021 to 73% in 2022. That is for those who started the T Level at age 16. That compares with a 78% retention rate for large VTQs, which are the most similar qualification. That is a five-percentage-point gap. We would like to close that gap, but it is closing over time. Again, we hope that will continue.

As the permanent secretary says, some students leave to go into work. That is a double-edged sword. It is positive that they have gone into work, but we would really like them to complete the T Level. For others, particularly early on, this was a new qualification. They did not necessarily understand it and they changed their mind about what they wanted to do. Some of it came back to the feedback about the volume of assessment, which is exactly why IfATE has made some of those changes.

We are hopeful that, through the iterative process and the way that we are changing things, the increase in retention rate will continue.

Q56 **Anna Dixon:** It is very important to listen to those students who are exiting early and understand why. It sounds like you have done some of that work and are now seeking to address those factors. Have you done an analysis to break down by socioeconomic status, race and gender who is dropping out and who is sustaining to completion?

Julia Kinniburgh: We look at the programme in those breakdowns. We tend to see that the breakdowns are not particularly different for T Levels from other qualifications. A slightly higher percentage of those with special educational needs take T Levels compared with A Levels, but a slightly lower percentage of those with special educational needs take T Levels than other vocational technical qualifications. In terms of the male-female split, it is largely the same. In terms of socioeconomic split, it is largely the same.

Q57 **Anna Dixon:** I am sorry. I just want to get something clear. You have pre-empted where I was going next, but I was talking about those who are not completers. I mean the 26%—I cannot remember where it was—of people who are starting a T Level and not completing. Among the group of people who are not completing, is there a disproportionate representation of poorer people, people from minority backgrounds or women?

Julia Kinniburgh: We have not seen that come out in the data, but we will continue to monitor that, because it is a really important point. We



would obviously want to make adjustments if that were the case, because it is really important that these are accessible to everyone. That is part of the intent of the programme. They are a great opportunity. We want to make sure that opportunity is available to everybody.

Q58 Anna Dixon: If I may, I will come on to those who are enrolling on to T Levels and in which subjects. Again, looking at the data—you started to mention it there—some groups are under-represented in general compared with some of the other vocational qualifications. People with special educational needs seem to have a higher propensity to take up other level 3 qualifications rather than T Levels. There is also an under-representation of women, particularly since the introduction of stereotypically male subjects such as engineering and manufacturing.

We were talking earlier about simulation. When we did a Committee visit to BAE Systems, we saw a brilliant example of a simulated environment for learning welding skills. We met some of the female welders who were particularly prized because they could access some of the more difficult-to-access parts and were doing some of the very high-end welding, which was great. Likewise, on the healthcare side, there is probably a greater propensity to see women in those areas. You talked about early years. I know some of my early years providers want to attract more men into early years settings. You do not yet have adult social care there. As we professionalise adult social care, I hope that opportunities for more advanced level training through T Levels might become available.

What is your view about how we—this may not be through changing T Levels themselves but other things that go on earlier in children's education and setting career expectations—challenge gender stereotypes so that we get a better gender balance in the range of T Level subjects that you are offering and therefore hopefully equip women to go on to some of those better-paid jobs as well?

Susan Acland-Hood: This is incredibly important. It is exactly as you describe. We do not see something that is peculiar to T Levels. It is about the route and occupation. The sex breakdowns are roughly similar between T Levels and other technical vocational qualifications in similar areas, but they still are massively disproportionate. You are still significantly more likely to be studying engineering if you are a man and childcare if you are a woman. That is something that we have to keep addressing and looking at.

You are also right to identify that as something that we need to look at earlier in the system than that moment of decision making at 16. By then, people may have taken preparatory steps that lead them down particular routes and may have formed particular views or assumptions. There is a huge piece of work to do with schools, careers providers and employers in showing the kinds of examples that you described from BAE Systems and learning from some of the areas where we have seen some of those disparities shift a bit over time.



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If you look at what has happened in maths, it used to be an axiomatic truth of our system that boys would outperform girls in maths, but girls are slowly and steadily overtaking them. That might be a different problem, but the narrative is changing around that. You hear much less commonly now than you did when I did my two maths A Levels that maths is a boys' subject. We need to look at how we have shifted some of those perceptions, where we have moved that, and try to apply those lessons.

In the vocational and technical space, we lag behind where we have got to in some of those more academic qualifications. Again, it is not perfect there. There is still an issue in physics, computer science and so on. We have to look at that and address it, but it is not a T Level problem. You see it across the range of vocational technical qualifications.

Q59 **Anna Dixon:** Yes, but it is more of a problem in vocational technical qualifications.

Susan Acland-Hood: It is more of a problem in vocational technical qualifications than it is in academic subjects.

Q60 **Anna Dixon:** Ironically, if I may, Chair, I would suggest a reverse innovation. I went to Zimbabwe, where I was looking at an amazing programme of re-engaging adolescent girls in education and vocational training. The Open University here had partnered with them in rewriting the school curriculum. In one of the lessons that I observed, the girls were learning about Dee the driver. In all their teaching materials they were challenging gender stereotypes.

When I asked them which of the vocational courses they were going to do, I heard tiling, electrician and carpentry alongside baking and hairdressing. These young women in Zimbabwe had a much greater propensity to think about these vocational skills. They had very intentionally redesigned the whole curriculum to challenge gender stereotyping. Maybe your colleagues leading the curriculum review will help us to challenge this so that in the future, when we come back to look at T Levels, we will be seeing much greater gender balance across the subjects than we are now.

That is probably all I want to say, unless there is anything else you want to say about what you are doing to both monitor and address any inequalities in uptake of T Levels.

Julia Kinniburgh: As the permanent secretary says, we would really like to reverse that, but it is not just a T Level factor. We have been running lots of programmes around getting girls through to STEM. Those have had some success over the years, but you are absolutely right: it is something that we need to keep working on. We see the T Level disparity in the same way as we see the VTQ disparity.

Part of what we like to do is promote girls who have been really successful in non-typical areas. One of our winners in our awards was a



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digital T Level student who went on to be successful in a digital apprenticeship. She is a woman. We did not necessarily pick her because she was a woman, but it is great to be able to celebrate those role models. I know that colleges do a lot of that as well. They promote that and are really clear that they have women in these courses. As you say, there is more that we want to do and keep doing.

Chair: It is a really important subject.

Q61 **Michael Payne:** Thank you to our guests. I have a few questions to ask, but, just before I do, Ms Kinniburgh, you said we should be shouting louder about the positive outcomes. Everybody on this Committee and around the country would agree with that, but, on the flip side, it also requires you to be honest about the candid failings there have been in the introduction of the T Levels programme. We have heard some incredibly impressive numbers today about the outcomes, which are incredibly welcome, particularly for those individual students, but I would gently suggest that those figures ignore the large number of drop-outs there have been in T Levels over the years.

Before I ask my first question, I would just reflect on three points that I have heard from both the NAO Report and the representations that I have had from the Redhill Academy Trust in my own constituency, which is a large education provider with an excellent reputation.

In 2021, a third of all T Level entrants dropped out of their course. That clearly was a failing. You have addressed some of the reasons why that might have happened and the journey that they are on. The DfE's own data—you have touched on this, Ms Kinniburgh—suggests that students who take T Levels are more likely to drop out than those who take any of the other equivalent level 3 qualifications. Finally, in April last year, close to £1.8 billion—the Chair touched on this—had been spent on the T Level programme, yet at that point the T Levels programme had reached only 3% of the 16-to-19-year-old population in the country.

May I gently suggest, before I ask my first question, that there has not exactly been a smooth roll-out of the T Levels programme? It has not been without its failings. If we are going to get to a point where we are delivering genuinely for students in the way that the Government have set out, we need to be much more robust and rigorous about the failings there have been. Education leaders and the students to whom I speak have serious questions about whether T Levels can provide some of the opportunities that qualifications like the BTECs did. I have certainly heard that from education providers in my area.

Chair: Michael, you have made some important points there. We should give our witnesses a chance to come back on some of that.

Julia Kinniburgh: In terms of the drop-outs, as we have said, the drop-out rate was higher than it has been for other qualifications. These are, though, pretty much brand new qualifications. T Levels have been around since 2020 whereas A Levels have been around for 74 years. It takes



time to establish a qualification. They are also being established while we have other qualifications alongside them. That is a deliberate decision. The Government took a decision in December to keep some of those other qualifications for longer. That makes it more challenging to ramp up the programme. When we introduced GCSEs, we did not keep O Levels running at the same time. There is a deliberate decision here.

We have seen those retention rates increase. You questioned whether this was value for money in terms of the success. The stats that we have given you today hopefully speak for themselves in terms of success for those individuals. A much higher proportion of the people who are taking T Levels are going into these higher-level apprenticeships. They also have the opportunity to go into higher education. We have seen that employers are saying, "Once we dipped our toe in the water of taking a T Level placement, we could see the advantage." You can see that from the Amazon numbers we quoted—they went from six to 100. They see this as a real advantage.

You asked us whether that is what we would expect. You expect a programme such as this to grow over time. We are seeing it grow as we would want. We always want things to be better, and that is a good thing. We will always challenge ourselves.

Chair: You always want to be ambitious.

Julia Kinniburgh: Yes, we want to be ambitious for the programme. We would like these rates to continue to rise. We are not sitting back and saying, "That is just the way it is." We are saying, "What is driving this? If there is a slightly lower retention rate, what can we do to increase that? How can we work with everybody who is involved in the system to drive this up?" That is really important.

One of the important things for students is to be really clear about their different options and pathways through, so that they can see their pathways. IfATE has done some great work on occupational pathways. As an individual, you can look and see where you could go and what the different routes are. Showing how T Levels fit into that pathway is really important, but there are other options for students at 16. We need to enable them to weigh those up and see the different options and outcomes. That is why, as you have reiterated, sharing those outcomes is really important because then people can make an informed choice about what they want to do.

Yes, we want all of these figures to be as high as they could possibly be, but this programme is not in a different place from where we would necessarily have expected it to be four to five years in. The outcomes data that we have seen is really positive and we are really pleased with it.

Q62 **Michael Payne:** I suppose what I was probing, before moving on to my substantive questions, is that there has been this reprieve announced by



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the Secretary of State in relation to BTECs. I understand that some of these are ministerial decisions and policy decisions. You will know that there is noise in the sector about the future of this.

As officials, as people who are very close to this and people who are clearly passionate about the programme, I want to ensure—Ms Dixon touched on this—that Ministers are going to get a candid and honest representation back about how the system is working. Clearly, there are positives. I am not churlish about this. I have recognised that there are positives, but it also relies on us being very candid and honest about where the failings have been. There clearly have been some failings. Your own data reflects that there have been some failings. I recognise that the programme is on a journey. I recognise, as Ms Kinniburgh says, that running qualifications at the same time is a challenge and that there are placement issues, as the Chair has already touched on.

As Ministers make a critical decision that could affect the life chances of young people in the country, which is one of the biggest stated missions of this Government, it is very important that they get a very candid and honest reflection back from you as officials. I am seeing nods from the permanent secretary. Ms Acland-Hood, it sounds like Ministers are going to get a very honest reflection about the successes and the failings.

Susan Acland-Hood: Yes, absolutely. It is critically important. I hope you have heard us talk about the things that we have reflected on and that we think we can improve through the programme. Of course, we must give Ministers a really candid, thoughtful and honest set of reflections. The December announcement around the review of qualifications reform was about trying to take a really well-evidenced and pragmatic approach. We have identified the qualifications we will continue to defund, particularly those with low and no take-up, and some where the T Level pathway is really well evidenced and the overlap is high.

We think it causes confusion for students to have too many overlapping qualifications. We still have thousands and thousands of qualifications across our system. We have many more than comparative jurisdictions around the world with strong vocational and technical systems. It is right that we keep asking those questions. We also really recognise that change is hard. People worry about whether there are good alternatives. We have to keep thoughtfully assessing that and reflecting on it, case by case.

The one thing I would say is that the evidence does not take you to a place where you would want to be making a blanket statement—"All of these stay" or "All of these go." It is much more about a route-by-route and really well-evidenced assessment of what each of these pathways is doing for young people and what evidence there is on progression and outcomes.

Going back to the origin of T Levels and why the Wolf report and then the Sainsbury review recommended them in the first place, we have to be



really careful that we do not conflate the achievement of a grade in a qualification with the longer-term outcome. Again, I do not want to pick on any particular qualifications, but with some of the pre-existing vocational technical qualifications, for example, you might get three distinction stars, but you are still only as likely to get a good outcome at university as someone who got three Ds at A Level. That is telling you something about whether the label that we are putting on the qualification is actually delivering the thing that we are promising students through the label.

That is something we have to keep testing ourselves on. That is hard. We want qualifications that recognise and reward students, but we also want to make sure we are being straight and honest with them about what they can expect that label or that qualification to lead to in their university outcome.

Again, there is the work that we have done on what kind of apprenticeship people progress into. Julia probably knew this because she is all over it, but I did not know, until I sat and prepared for this Committee, that for many of our pre-existing level 3 qualifications you are significantly more likely to go on and do an apprenticeship that repeats level 3 or level 2 than you are to do a higher or degree-level apprenticeship. Those stats are effectively flipped on their head for T Levels. Over 75% of people going into an apprenticeship from other level 3 qualifications repeat level 3 or do a level 2 apprenticeship. It is literally the other way around for T Levels. You are massively more likely to go into a higher or degree-level apprenticeship.

That is telling us something about the quality and depth of preparation that you are getting through the qualification. We have to balance the recognition that that means T Levels are highly demanding—they may not be suitable for everybody, and we need to make sure there are routes available for all learners—with not providing routes that feel seductively easier. This goes back to Anna Dixon's point. We do not want to provide things that are seductively more attractive, easier to pass and easier to get a good result in but do not give you the outcome in the workplace that you really want for the child going through the rest of their lives. That is a hard balance to strike. At the heart of some of the challenges in delivery so far, it has been about how you calibrate and get that balance right. It is right that we keep testing that and that you keep testing us on it, because it is not straightforward.

There is something really critical at the heart of this, which is about giving young people in vocational and technical routes really high-quality qualifications that lead to great outcomes for them. T Levels are not the only high-quality qualification, but we need to keep making sure that we set that standard, we reinforce it and we give people good opportunities. I am sorry; that was a very long answer.

Q63 Michael Payne: Thank you. I appreciate your candour. If I may, Chair, I



will turn to the awarding of contracts as a general subject. Perhaps this is a question to the permanent secretary and Ms Grant. If we turn to figure 11 in the NAO Report, this highlights the actual student numbers. I accept that these figures are from September 2022, but this was the data available. To be fair, it is over a two-year period from 2020 so you can draw conclusions from it. Figure 11 shows that actual student numbers in September 2022 were below contract assumptions, quite significantly, across 15 out of the 16 T Levels that had been introduced.

Why did you agree contracts based on assumptions and student numbers that were incredibly ambitious without building in any real flexibility in terms of those contracts? The NAO Report took the example of the healthcare science T Level, but you could pick any of them.

There were 136 students who enrolled in that T Level, but the contract assumption for student numbers was 3,500. There is a significant gap there, is there not? There is a significant gap across 15 of the 16 T Levels. I just want to push this point about the awarding of the contracts at that point. I recognise that some lessons might have been learned since, but why was that flexibility not built into the contracts?

Just as a follow-up, if I may, why was there no real scope for those organisations that were awarded the contracts to challenge candidly at that point the assumptions around some of the student numbers? Could you touch on that, permanent secretary?

Susan Acland-Hood: I will bring Carmel in because IfATE was very close to this process. The starting point was that there would be value in the suppliers being invested in meeting and going for the targeted volumes. In a sense, the structure of the contract was to make those assumptions and to ask them to price on the basis of those assumptions. They had the opportunity to price on that basis. They did have the opportunity to challenge that, actually. They could have priced with more flex around that.

Carmel might want to come in, but I think, in their efforts to win contracts, some providers set pricing quite low, on the assumption that the volume would sort them out. One of our lessons learned was that that was then quite challenging for providers when the volumes did not come through. That is why we have designed that differently in the second generation of contracts, to try to keep some incentive, because we do want providers to be incentivised to encourage people to take these qualifications. We think they are really good, and that is part of what you do when you set up a new qualification. We have moderated that a bit with the approach we have taken for the second generation. Carmel, do you want to build on that?

Carmel Grant: In that first phase, when the original contracts were awarded back in 2019 onwards, that baseline at the time was based on a number of assumptions. This was the best-known information at that point in time, and clearly, as the implementation has progressed, more information has come out about the way T Levels are delivered and the



interaction with the defunding phasing as well. As we move into phase 2 of the procurement, we are in a position where the modelling has been done annually; it has been updated. We are going into that with a more informed range of student estimates.

The permanent secretary mentioned some of the bids that were pitched for the learner fees. We have more information now on how those fees would be better pitched when you compare the T Level with doing three A Levels, so there is a similar range. It is probably fair to say that the development and delivery of T Levels has required significant time, resource and investment. They are high-quality qualifications that have been quite different from the existing market, and it has been a learning curve for everybody involved. To design those qualifications to allow progression to employment has taken quite a different approach.

As we move into that second phase, that is much better known by ourselves and the awarding market. We are running new procurements as we speak, and continuing to get awarding organisations coming forward to our market engagement events as well, so we are seeing higher numbers of organisations coming forward for the market engagement interest. It is those sorts of lessons, as we have gone through the first phase and into the second phase.

Q64 Michael Payne: That is a helpful segue. The permanent secretary and yourself, Ms Grant, touched on the second phase. Just in terms of the second phase, I have a question around why the second-phase contracts are so much more expensive than the first-phase contracts, which is drawn out in the NAO Report and you will recognise. I do not know, permanent secretary and Ms Grant, whether you want to say something about the risks necessarily associated with the second-phase contracts.

I then have a very specific point. The NAO touches on a fiasco—I think you can call it that—around the health T Level that there was, particularly in relation to the Northern Council for Further Education. In July 2024, Ofqual imposed a £300,000 penalty on NCFE. It was not a one-off incident; there were a series of incidents. I think you are now assured that we have turned a corner in relation to that particular area, but I suppose there is a broader question for the Committee about how you can reassure us that we are not going to see a repeat incident in the way that we did around the health T Level in that regard.

It is just a question about the price disparity and the significant disparity in the price in the second phase, compared with first phase. Maybe you can provide a point about the risks, and then a point specifically on reassurance about the issues in relation to the health T Level.

Carmel Grant: It refers back to my previous response around the pitching of fees in the first phase, which were lower on entry to the market. As we have stabilised over time, we have recognised the actual cost for those learner fees. It is basically regularising that element, and



that is why they have become more expensive across most of the contracts. It is a more realistic figure to deliver the contracts.

In terms of the risk in the second phase, recognising the risk we have had with learner numbers in the first phase, we have introduced something called adaptive pricing. Where learner numbers are much lower than the current estimate or the predicted estimates, there will be a mechanism to potentially adjust, and the same if they are much higher, so a 15% factor. That is a way of allowing more awarding organisations to look at what this means, going forward, and realise that there is something that could be adjusted if that is the way the learner numbers materialise. Having said that, the learner numbers have been modelled year on year, and we are getting more accurate information. Hopefully, that is an element of protection in that second phase of contracts.

Julia Kinniburgh: I will pick up on the NCFE question. In 2022, there was an issue with the core element of the health and science T Levels. There were questions in that element that were not of the right rigour or content standard. As these are properly regulated qualifications, Ofqual took the action that they would take for any properly regulated qualification. For the students, that meant that those elements were discounted. They were re-marked and their results were issued. Those students were also given the option of a free retake, if they wanted to do that.

Ofqual took the regulatory action that is within its remit to take, hence the significant fine for NCFE. Both Ofqual and IfATE have also done a lot of work with NCFE to ensure that that type of error could not happen again, and to make sure that it has very good quality assurance and rigour in its standard setting. It was very unfortunate, but rightly, Ofqual took the regulatory action that it would for any other error in a qualification. That is the instance of the health and science T Levels.

Q65 **Michael Payne:** I am completely aware of the incident, what action Ofqual took and why it took it. My broader point was just about how you try to ensure, if you can, a mitigation against that being repeated, because, clearly, Ofqual touched on, as you said, not-fit-for-purpose questions, inadequate training for assessors and a wide range of other issues. It is just about how you can safeguard in the system against that happening. I recognise that this is obviously also down to individual institutions, but I think there is some reflection in the NAO Report about lessons being learned.

I have a final question, if I may. It is just a broad question in relation to the challenges. I think you touched on this, Ms Grant, around the market. I just wondered what action can be taken by the Department, or by other organisations involved in the T Level programme, around the sustainability of the market going forward, given some of the challenges that there have been, which you have elucidated on throughout today's session. From your perspective, what particular action can you take, or are you proposing to take, to make sure there is sustainability in the



market going forward?

Julia Kinniburgh: We have done a number of things. The adaptive pricing shift was one of them. That is a deliberate decision. That enables awarding organisations to have more certainty, and it changes the risk profile for them in terms of bidding. IfATE itself does an awful lot of outreach to organisations when it goes through its re-contracting. As Carmel has just referred to, we have good numbers of people coming to those various market events, to make sure that people understand. We also do an awful lot of engagement, not just with the awarding organisations but with other professional bodies as well that may want to enter the market in due course. We are continuing to look at the market.

Carmel Grant: We have also extended the duration of the contracts. The original contracts back in 2019 were four annual cohorts plus the potential to extend by one. We extended that a couple of years ago to five plus two extensions. The contracts that are going into this phase are five cohorts, with the extension by three. That makes them a more viable, longer-term proposition, and that is proving attractive as well in terms of other organisations considering entering the market. They can enter as individual organisations or subcontract, or form a consortium as well. There are different models to help bring additional organisations into that.

Q66 **Anna Dixon:** Just for clarification, it seems that these awarding organisations effectively had a monopoly in this first period. Therefore, the providers were a bit at the mercy of the fees that these awarding organisations wanted to charge. I have understood that you have changed that with the adaptive pricing so that, if student numbers—I am guessing—go up, the price goes down for the provider, to recognise that. But I am still worried, unless there is going to be competition; maybe I have missed that. In the new procurement, will there be more than one awarding body per T Level?

Susan Acland-Hood: The competition is to be the provider of each T Level. It is a single—

Q67 **Anna Dixon:** Providers will continue to be price-takers.

Susan Acland-Hood: Part of the assessment of the provider that gets awarded the T Level is to look at whether the fee is reasonable. It is worth saying that our analysis is we think, actually, in that first competition, providers were underpriced rather than overpriced. The fee cost of three A Levels is over £300; typically, providers were setting £150 fees.

Q68 **Anna Dixon:** Did they then not put the prices up? They were not fixed to stick with the original thing they had bid for. When they realised the numbers were going down, did they not put the prices up?

Susan Acland-Hood: The price rises you see in the NAO Report are the prices that have come through the second round of contracting. They



have not been able to unilaterally change prices. The issue was that, because they priced very low, they were essentially loss-leading. They had priced low to win the contract; the volumes were then a bit lower, and then some of the AOs have had challenges with that. One of the reasons we have introduced the adaptive pricing is to protect colleges, but it is also to make sure that providers are not holding all of that volume risk themselves. We do not think the fees that they are charging now are unreasonable. We think they probably went a bit low in the first instance.

Q69 Anna Dixon: When I say providers, I am talking about colleges, not the awarding organisations. Where does it leave colleges in terms of any uplift in their funding to reflect the higher fees per student that they will be paying to awarding organisations?

Susan Acland-Hood: As I say, even the new higher fees are very comparable with the fees for three A Levels or for other large vocational and technical qualifications. They are a very small proportion of the total cost to the college as well.

Julia Kinniburgh: If it helps to give the figures, the fee for three A Levels is £364, whereas the T Level range is now £214 to £395. You can see it is very comparable.

Q70 Anna Dixon: You are confident that it is value for money for the colleges, in terms of both the quality and the fee that these awarding organisations are going to be charging.

Julia Kinniburgh: Yes.

Susan Acland-Hood: If the volumes go up, the fee will come down, exactly as you said.

Q71 Chair: I will just use some of the information provided to the NAO Report to delve a little further into the awarding organisations' costs, because there is a tension here, is there not? My college tells me that it thinks the cost is too high. For example, NCFE disclosed a £2.5 million impairment charge. It says it cannot challenge the assumptions. Awarding organisations were locked into prices they had set throughout the contract, but the numbers were between 13% and 92% lower than the earlier assumptions, with seven contracts at 50% or less. There is a real tension here between the prices charged by the awarding organisations and certainly the institutions, and maybe the students, feeling they are too high.

The final thing was that, in paragraph 3.12, it says that fees have increased between 26% and 149%. These are big increases that we have seen. Can you just comment on this tension?

Susan Acland-Hood: Yes. You are right to identify the tension. It is not surprising that the awarding bodies would like to charge more and the colleges would like to pay less.



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Focusing on whether the fees that are being charged now look reasonable in the context of fees that are charged for equivalent qualifications is really important. Julia has given that range of the revised fees, and it does look very comparable, both with three A Levels and with large vocational technical qualifications.

The benefit of the adaptive pricing model is that it helps to manage both ends of that equation you describe. The awarding organisations would say that they had signed up for a price and a set of volume assumptions. I take the point about them saying they were not able to challenge them, but they entered into the contract in the first place. They knew what they were; they had an opportunity to challenge that as part of the contracting, but when the circumstances changed—it is true that the defunding timetable affected it, as well as other things—they were then stuck to a price that they had set assuming very high volume.

The adaptive pricing helps to manage that risk in both directions. If the volumes go down, the prices can go up, but if the volumes go up, the prices go down. There is a cap and collar on that, so that is not unlimited. It keeps it within a reasonable range. For the colleges, that means that, if we do see the volumes we are expecting, they can expect to see the prices come down.

The fee is a very small proportion of the total cost of the qualification for the college. It is visible and the increases are notable. Those big increases are more about the fact that the initial prices set looked surprisingly low, and I think that was about providers trying to win the contract.

Q72 Chair: How will you ensure an efficient and effective transfer of responsibility and oversight from IfATE to Skills England?

Susan Acland-Hood: We are well on with the transfer and the work that is going on. We have a Bill about to come back to the Lords, and you will know better than anybody that you cannot pre-empt the decisions of Parliament, but we have set Skills England up in shadow form. Work is going on between IfATE colleagues and Skills England colleagues to make sure that, subject to the will of Parliament, we have a very smooth transition.

I actually would like to put on record my thanks to colleagues across IfATE, who have done the most incredible job. It is not always the easiest thing to do when you are feeling uncertainty about your organisation. I want to say thank you to Carmel but also to colleagues across the whole of IfATE who have done a brilliant job on that. Carmel, I do not know if you want to talk a bit more about that, but there is very precise, really detailed work going on about the transition and how we make sure that delivery to learners and interactions with employers feel completely seamless through that change.



Carmel Grant: IfATE is now, although still relatively new, a very mature organisation, so the transition to Skills England feels like a switchover that should be unnoticeable to our outside stakeholders. All the work we do on our products and developments, including T Levels, should move across smoothly, or for the employers that we work with. A lot of work has gone into keeping that stable while we make that transition, being clear on the division of roles and responsibilities in the new Skills England era.

Q73 **Chair:** How confident are you, permanent secretary, that as a Department you have the capabilities to develop and manage these commercial relationships and arrangements, given the edginess and the tension that I have described?

Susan Acland-Hood: We are seeing really promising signs as we go through the second phase. Again, we have good market interest and engagement in the ones that are out at the moment. We have had a good response to the shift in the mechanisms—both the shift to adaptive pricing and the extension in the duration. We are in a much stronger place.

We work very closely with IfATE, and with Skills England as it transfers over. We also make sure, for example, that our audit and risk committee looks at some of these issues regularly. We think quite hard about both the accountability and the governance around this, both within IfATE and Skills England, and just drawing that through appropriately into the Department to help us manage the risks.

Q74 **Chair:** Can I just put to you a final question? It is something that Cirencester college said in a note to me. I will quote exactly: "If there was no or much more limited clawback, less extreme administration, better continuity between exam boards and greater freedom to evidence work placement, then I think that they would be more attractive to other providers to take up."

How do you react to that statement? After all, it has been in it since the beginning; it has had a lot of students through the college, and still has a lot of students doing a lot of T Levels. How do you react to those comments?

Susan Acland-Hood: That is a really helpful list of feedback that we should sit and work through. Quite a lot of that is familiar, and there are things that we are doing to work on that set of issues. There is an overarching stand-back theme, which is about how we make this easier for people to do, how we remove barriers and how we try to keep addressing the burdens and bureaucracy that are not intimate to it being a high-standard, highly effective qualification.

A lot of the work that we have been describing has been about trying to take that feedback, learn, assess, develop and improve as much as we possibly can as we go along. I am always really happy to talk to college



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principals and others about how we can do more. My response is to thank you for the feedback, and we will pick it up.

Chair: Thank you very much for your evidence today. Hopefully you have gained from this that this Committee is very enthusiastic about T Levels as a way of filling some of the skills gaps in technical subjects that we definitely have in this country and that we see time after time in our hearings here. Can I thank you very much for your time and your evidence? An uncorrected transcript of this hearing will be published on the Committee's website in the coming days. Of course, the Committee will consider the evidence that you have provided, and we will produce a report with recommendations in due course. Thank you very much indeed.