



**Permanent Secretary**

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**Meg Hillier MP**  
**Chair**  
**The Public Accounts Committee**  
**House of Commons, London, SW1A 0AA**

12 July 2021

Dear Meg,

#### **PAC Report Managing Colleges' Financial Sustainability: Recommendation 4**

This letter is a response to recommendation 4 made in the Committee's report dated 27 January 2021 on the financial sustainability of further education colleges in England. It sets out the measures we have put in place to ensure there are enough T Level industry placements for the first cohort of T Level students, as well as for future cohorts of T Level students.

#### **Industry placement support**

We have put in place substantial support for schools, colleges and employers to help them deliver T Level industry placements. We have provided £165m for schools and colleges since 2018/19 as part of the Capacity and Delivery Fund to help them increase their capacity and capability to deliver industry placements. The vast majority have used this funding to employ staff who are dedicated to building and maintaining relationships with local employers and to securing placements and has led to almost 30,000 placements. We have put in place a support package for 2020, 2021 and 2022 schools and colleges, delivered by the Association of Colleges, to help them to deliver placements, with a key focus on quality assurance and establishing long-term relationships with employers. We have also published a suite of guidance for schools and colleges and employers, which outlines their key roles and responsibilities in delivering high-quality placements.

We have also put in place support for employers to deliver placements. This includes expanding the remit of the National Apprenticeship Service to engage employers on T Levels, to offer advice on delivering placements and to match schools and colleges to employers, as well as an Employer Support Package, delivered by the Strategic Development Network, which comprises online guidance, case studies and

workshops, to help employers to host high-quality industry placements. Funding has also been made available for employers through a £7m Employer Support Fund pilot to cover tangible costs that are incurred by hosting a placement. Finally, we have implemented flexibilities to how industry placements can be delivered – such as allowing placements to be delivered by 2 employers - to reflect different industry needs.

To recognise the impact that Covid-19 has had on schools and colleges and learners, the Department has put in place temporary flexibilities to ensure that industry placements can still be undertaken despite the constraints of Covid-19. We have reduced the minimum placement hours for Early Years placements from 750 to 415, but students still need to achieve their learning outcomes and be competent. We have also put in place alternative arrangements for summer assessments so that schools and colleges can choose to determine teacher assessed grades for the core component of the T Level this summer, freeing up more time in the second year to enable placements to take place. This will allow students to focus on their industry placement and the occupational specialism in the second year. To incentivise employers to offer placements we have recently launched a £10million employer incentive scheme whereby employers will be eligible to claim a £1,000 payment for each T Level industry placement they offer that commences between 27 May 2021 and 31 July 2022. Early anecdotal evidence suggests that this has been received well and should be an effective driver for closing the gap in placement provision next academic year. Finally, we have also confirmed that Capacity and Delivery Funding for schools and colleges will not be clawed back for the 2020/21 academic year if they miss their delivery targets, as long as they can demonstrate how the funding has - and will - continue to ensure readiness to support future delivery of quality industry placements.

The National Apprenticeship Service (NAS) are targeting employers and intermediaries within geographical areas where providers are still struggling to secure placements for the first cohort of students, and are providing dedicated help to broker and source employers for these placements. We have also implemented a new national employer campaign which will keep employers engaged over the coming months, including new comms material and focussed comms through social media channels, including LinkedIn.

### **Covid-19 impact on industry placements**

The Department is committed to enabling all T level students to spend time in the workplace on an industry placement. We have structured the roll-out of T Levels so that the first cohort is relatively small – with approximately 1300 students – and we are confident that all T Level students, including those in the first cohort, will be able to complete their industry placement by the end of their second year, despite the impact of Covid-19.

### **Progress to date**

The Department is monitoring closely the impact that the Covid-19 pandemic is having on the delivery of industry placements and the challenges that it has caused to both schools and colleges and employers. Clearly the delivery of placements has

been impacted by the pandemic, particularly for those students on the Digital and Construction T Levels, and this has made it harder to schools and colleges to secure placements.

However, there are now signs that the situation is improving, and progress is being made in terms of securing and delivering industry placements. We expect this upwards trajectory of placement delivery to continue as Covid-19 restrictions continue to ease. In addition, intelligence from employers is showing that they are becoming more receptive to offering placements, but at different rates, with small and medium sized employers accounting for more referrals than larger employers. Despite the short-term pressures that the pandemic has brought, employers are recognising the need to keep focusing on longer-term talent pipelines and workforce planning and many have said they will be growing and investing in their workforce once Covid-19 restrictions eases.

### Remote placements

The Department is committed to ensuring T Levels include genuine experience of the workplace to give students a high-quality experience and to ensure they receive the nurturing, mentoring and support needed to really succeed. Feedback from employers and students shows that placements in a work setting add real value and allow young people to develop important employability skills. As such, the Department's policy is that industry placements cannot be done remotely. However, up to a maximum of 35 hours of work taster activities can be counted towards students' total number of placement hours, which can include remote activities. The work taster activities must be industry-specific and delivered in conjunction with employers to give students the opportunity to gain a better understanding of the industry that better enables them to undertake their placement.

### Contingency planning

Although we remain reassured that industry placement delivery is moving in the right direction, it is important that we continue to monitor the situation and be ready to implement contingencies for the existing cohort of students if there are still difficulties in securing placements. The Department will continue, therefore, to monitor the impact of Covid-19 on the delivery of placements and work closely with schools and colleges and employers to identify whether we need to introduce any further temporary flexibilities or support to enable the first cohort of students to complete their placement.

### **Future T Level roll out and industry placements**

As T Levels continue to roll out it is important that we put in place the right support and infrastructure to ensure there are enough industry placements across the different sectors to meet demand. We are working closely with schools and colleges, employers, and our delivery partners to consider what the potential barriers are for each of the T Levels and identify mitigations to them. We will also continue with our targeted engagement with employers of all sizes to embed T Levels into their long-term future workforce strategies.

I hope this is helpful to the Committee.

A handwritten signature in black ink, appearing to read 'S. Acland-Hood', written in a cursive style.

**SUSAN ACLAND-HOOD  
PERMANENT SECRETARY**