



Rt Hon Robert Halfon MP
Minister for Skills, Apprenticeships and Higher Education
Department for Education
Sent via email: halfon.ps@education.gov.uk

1st February 2024

Dear Minister,

T level implementation

I am writing to express concern about some recent decisions on T level implementation which are both undermining confidence in T Levels and making it harder for colleges to deliver the high quality technical offer for young people we all want to see. These decisions come at a time when uncertainty about the future of T Levels is already a barrier because of the announcement that they will be subsumed into the new ABS.

Colleges do the heavy lifting when it comes to T levels – accounting for c90% of enrolments in the widest range of subjects – but they cannot make firm plans if they do not have certainty and confidence about the future. And nor can they recruit if learners and their advisers also lack that certainty and confidence.

As you know, the lead-in time to properly introduce new qualifications is long, allowing for marketing, CPD, development of teaching materials and so on. Beyond that, learners and their advisers want to know that the qualification will be around for the long term if they are to dedicate two years to it. Sadly, the lead-in times and the confidence in the longevity of T Levels have both been lacking.

Three particular issues have arisen in the last few days:

1. Further delays in introduction of qualifications and very late notice in the academic cycle
2. Delays in information on funding
3. Future pricing of T level awarding organisation fees

Delays in introduction of qualifications

On 30 January 2024, the Department for Education announced the cancellation of plans to introduce a T level in hairdressing, barbering and beauty therapy and a replacement plan in which there will be a T level in beauty therapy from 2025-6 and no Level 3 qualification in hairdressing outside apprenticeships.

This is the second year in a row in which announcements to delay qualifications have been made in the spring term, leaving colleges scrambling to make alternative arrangements a few months before the start of the term and six months after they have already advertised and started admitting students to programmes. Whilst this late notice has been occurring the advertising of T levels to young people and parents has been steaming ahead as if all is well. Converting interest into enrolment requires colleges to be able to make firm offers to students on the same timetable as other options for Year 11 students – from the previous September. Now thousands of students are being told their preferred option is not going to be available for September.

We cannot understand why it has taken from 2021 – when work on the HBBT T level started – to now, in early 2024, for there to be a change of mind on the suitability of qualifications for this sector. More engagement with the many colleges working with thousands of SMEs in each sector would have allowed this decision to have been made far earlier and without the damage now done. It would be useful to have an urgent review across other T Level routes to ensure that this does not happen again.

The short term damage in that sector is one thing, but the wider dent in confidence of the T Level programme is enormous. I fear that many college leaders, students and their advisers will be even more wary of all T levels now because they cannot be certain about their future.

It is good news that T levels in Media, Broadcast and Production, in Craft Design and in Animal Care and Management are going ahead for 2024-5 as previously announced back in March 2023 but a concern that, 10 months on, there is still no firm information about the T level in Catering.

Delays in information on funding

2024-5 will be the fifth year in which colleges and other institutions are running T levels but even this late in the academic year no firm information is available on the revenue funding rates and rules. I hope that DfE is not planning any significant change to rules or reconciliation arrangements and that, when it comes to setting rates, it has assessed the necessary changes in pay and other costs involved in running high quality technical education. Even if that is the case, the uncertainty does not help build confidence in the programme and any changes now would leave colleges with less than six months to respond.

Future pricing of T level fees

The information provided by IfATE to awarding organisations considering bidding to run the next generation of T levels included plans to introduce dynamic pricing in the entry fees for colleges and other institutions. I realise that there is currently a public procurement exercise underway but I am surprised that this information came out at the tender stage rather than in a public document about T level plans, for example the annual T level action plan. I am also alarmed at the proposal we have seen in the tender documents and the potential impact on the T level programme and on individual colleges.

From the college perspective, there are three major concerns about the dynamic pricing plans:

- Allowing awarding organisations to increase entry fees in the second year of a qualification if enrolments are 15% less than expected transfers risk away from government and the awarding organisation onto the individual college pioneering the new qualification. It often takes time for enrolments to build up for reasons that are difficult to control and no single college can influence the outcome of the whole sector. That means the risk sits with a college that can do nothing to avert a higher fee because it requires all colleges to deliver the numbers. Colleges already pay a high price for T level assessment (the entry fee and their own staff time). It does not seem sensible to add a risk that these prices will be even higher. It also ironically means that the most successful individual colleges might be penalised if the overall numbers are low; the actual dynamic opposite of an incentive to deliver more.
- The qualifications most likely to have smaller numbers are the more specialist, technical ones where T levels potentially add the most value for the young person, their employer and the country. Encouraging colleges to take the risk to build the capacity to deliver on these was hard enough before the dynamic pricing was introduced; doing it now is even harder. Given that funding for colleges still lags behind schools, this once again seems to be dynamically opposite to an incentive to colleges to do more in the sectors and subjects which may be marginally viable.
- IfATE appears to be aiming in this procurement to protect a 22% profit margin for awarding organisations at the potential expense of colleges who cannot dynamically raise their price to DfE. This profit margin is in stark contrast to the margins colleges work to. Because of the inadequate funding they suffer, many struggle to reach a 6% EBITDA on existing DfE funding levels and would love to operate in a funding system that guaranteed a 22% margin.

I fear that you may say that it is now too late to properly address all of these issues, but I would welcome a meeting urgently to discuss what can be done to at least reverse the dynamic pricing proposal and to discuss how the overall qualifications reforms are progressing. From where I sit, from the feedback I get from the majority of college

leaders and employers it looks like there needs to be an urgent re-set to ensure that T Levels can grow successfully. Decisions like these are undermining the confidence that you have sought and which AoC has worked hard to support.

Yours sincerely,

A handwritten signature in black ink that reads "David Hughes". The signature is written in a cursive style with a horizontal line under the name.

David Hughes CBE
Chief Executive, Association of Colleges

CC:

Jennifer Coupland – Chief Executive, IfAte

Rob Nitsch – Delivery Director, IfATE

Julia Kinniburgh – Director General for Skills Group, DfE

Kiera Harper – Policy Specialist, DfE