



Department  
for Education



Education & Skills  
Funding Agency

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

**Government consultation**

**Launch date 27 November 2018**

**Respond by 19 February 2019**

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

I believe that it is more important than ever that we focus on the education and training of young people in Britain. Ensuring that our economy becomes more productive depends on us making the most of our young people's talents, and ensuring that they have the skills they need to progress into employment. There is already a clear route for students who want to continue their academic studies when they turn 16 through world class A-Levels, but this is not the case for young people who want to pursue technical education.

This is why we are reforming our technical education system, including the introduction of T Levels. These new programmes will provide students with access to high-quality technical education and training which is a real alternative to the academic route. T Levels are the most significant reform to technical education in this country for decades and, alongside reformed apprenticeships, will have real credibility with employers.

The government will provide an additional £500m per year for the delivery of T Levels once they are fully up and running. This reflects the fact that T Levels will be bigger, more intensive programmes incorporating over 900 hours of education and training on average, including new, substantial industry placements. We have already set up the Capacity and Delivery Fund and started to distribute funding to help providers deliver placements.

This extra funding for the delivery of the new T Level programmes (and the extra hours they will include), will start to be made available in 2020, when the first T Levels are taught. This will enable providers to deliver T Levels effectively and begin planning for the first programmes.

We recently consulted publicly on our wider plans for T Levels and [published our response in May this year](#). In that consultation there was widespread support for adapting the existing 16 to 19 national funding formula to incorporate funding for T Levels. We also said we would consult the sector again as we work on developing the detailed funding arrangements. I am pleased that we are now able to set out our detailed plans for funding T Level programmes, and to seek your views on this important area.

We have a once in a lifetime opportunity to get technical education for our young people right, and your support is crucial to the success of this programme. Together we can build a technical education system that is the finest in the world. I hope you will be able to contribute to this consultation and I look forward to seeing your response.

The Rt Hon Anne Milton MP

Minister of State for Apprenticeships and Skills

## Introduction

This consultation is concerned with how funding will be distributed to providers from the 2020/21 academic year for the delivery of T Levels for 16 to 19 year olds. It includes indicative funding rates and the related funding policy considerations. It does not however show actual allocations which will follow at a later stage after the consultation responses have been taken into account and the final policy set out.

The Institute for Apprenticeships (and Technical Education, as it will be) will be responsible for the content of T Levels and the Department for Education will provide funding for delivery. This consultation concerns the per student funding for providers to deliver T Levels only – it does not cover any other aspect of funding such as specific funding for the development of the Technical Qualifications.

The government announced in the 2017 spring budget that additional funding would be provided for the delivery of these bigger and more stretching programmes that will provide over 900 hours of education and training per year including an extended industry placement. This is an average figure and some students will study for more hours than this and some fewer (depending on the pathway they are studying, and their individual needs).

There is sufficient funding to provide the additional planned taught hours that will be required to teach the new T Levels, as well as to organise the substantial industry placements.

We expect to pay the additional planned taught hours at the same basic rate per hour as we pay for current 16 to 19 study programmes (see section 1) and with formula factors (as set out in section 5).

We plan to provide funding to organise industry placements, at a rate of £550 per placement over the 2 years of a T Level (see section 3).

As set out in the government response to the wider [T Levels consultation](#) published in May 2018 and supported by the majority of the responses, we plan to build on the existing arrangements in order to distribute T Levels funding for 16 to 19 year olds, rather than design a new funding system. This will mean adjusting the current funding system so that it funds T Levels as well as existing 16 to 19 study programmes. The response to the T Levels consultation also explained that (as supported by the majority of responses), we plan to fund level 2 maths and or English for those students who have not yet met the minimum exit requirement on top of the hours needed for the T Level itself (see section 4).

Initially we plan to use a combination of historical data and provider plans to ensure we can calculate and allocate the extra funding in the year it is needed. We expect to revert to a lagged system for student numbers when it is possible to do this using prior years data.

We will formally respond to this consultation in Spring 2019 and plan to publish the detailed funding arrangements in Summer 2019, along with indicative T Levels funding allocations for the 2020 providers. Firm allocations to the 2020 providers will follow by the end of March 2020 in accordance with the usual 16 to 19 funding timetable.

We will continue to look at emerging information about the detailed design of T Levels (in particular the Technical Qualification component) to ensure our funding proposals are affordable within the budget available. If necessary we will consider adjustments such as the size of the bands before we communicate our funding approach in 2019.

We will continue to review the implementation of T Levels on an ongoing basis as further T Levels are developed and rolled out, and take-up patterns are established; it is possible that this could also lead to some adjustments.

While this consultation concerns revenue funding of providers for the delivery of T Levels, the government has also announced a further £38 million of funding for capital expenditure. This is to help the providers who will be delivering T Levels in 2020 ensure they have the equipment and facilities necessary to deliver these gold-standard qualifications subject to eligibility. Further details will be published by January 2019. The priority is to ensure the first T Levels are of the standard that employers and learners expect. We are also considering the capital requirements for the continued rollout of T Levels beyond the first tranche.

## Who this consultation is for

This consultation may be of particular interest to providers but responses will be welcome from all with an interest in this topic including:

- Colleges and school sixth forms
- Other Further Education providers including independent learning providers
- Teachers and trainers
- College principals and head teachers
- Governors of education and skills providers
- Mayoral Combined Authorities<sup>1</sup> and Local Enterprise Partnerships
- Any other interested individuals or organisations

## Issue date

**The consultation was issued on 27 November 2018.**

## Enquiries

If your enquiry is related to the policy content of the consultation you can contact the team by email – [TLevelFunding.CONULTATION@education.gov.uk](mailto:TLevelFunding.CONULTATION@education.gov.uk)

If your enquiry is related to the DfE e-consultation website or the consultation process in general, you can contact the DfE Ministerial and Public Communications Division by email: [Consultations.Coordinator@education.gov.uk](mailto:Consultations.Coordinator@education.gov.uk) or by telephone: 0370 000 2288 or via the [DfE Contact us page](#).

## Additional copies

Additional copies are available electronically and can be downloaded from [GOV.UK DfE consultations](#).

## The response

The results of the consultation and the Department's response will be [published on GOV.UK](#) in Spring 2019.

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<sup>1</sup> References to Mayoral Combined Authorities in this guidance, also include and apply to the Greater London Authority.

## **Respond online**

To help us analyse the responses please use the online system wherever possible. Visit [www.education.gov.uk/consultations](http://www.education.gov.uk/consultations) to submit your response.

## **Other ways to respond**

If for exceptional reasons, you are unable to use the online system, for example because you use specialist accessibility software that is not compatible with the system, then if you email us, we will send you a word document version of the form. Then you can email or post it back to us.

### **By email**

[TLevelFunding.CONULTATION@education.gov.uk](mailto:TLevelFunding.CONULTATION@education.gov.uk)

### **By post**

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## **Deadline**

**The consultation closes on 19 February 2019.**

# 1. Funding bands and hours

As well as being larger than current study programmes, we expect individual T Levels to be of different sizes. Therefore we plan to have a number of new funding bands to reflect this difference in the number of hours required; we plan to place each T Level in one of the bands, depending on its size.

We plan to present the new funding bands and hours as totals over a 2 year period because T Levels will be 2 year programmes. There will not be standard annualised programmes for T Levels in the same way as there are for current study programmes, as providers will have flexibility in how they split delivery for planned hours and industry placement hours over the 2 years. We do expect however to provide the funding split equally over the 2 years rather than trying to reflect different delivery approaches, so that providers have the flexibility to deliver as they consider appropriate.

There are currently 5 funding bands for existing study programmes, based on the number of hours in those programmes. We plan to build on this by setting out the bands for T Levels from band 6 onwards. Our initial proposed funding bands for T Levels are shown in Table 1 overleaf.

Current arrangements for full time study programmes include base rate funding of £4,000 per year per student to deliver an expected 600 hours per year, although we accept 540 hours per year as a minimum. These figures of £4,000 and 600 hours have been used on a pro rata basis to calculate the T Level funding rates as shown in row 3 of Table 1, according to the number of average planned hours for each band.

These initial funding bands are based on the information currently available about T Levels, and may be subject to some change as the pathways are developed. They should therefore be regarded as indicative at this stage.

We plan to fund T Levels for 18 year olds at the same rate as for 16 and 17 year olds because the hours required for the Technical Qualifications will be fixed, and 18 year olds will need the same amount of funded time to achieve threshold competence as other students. This is in contrast to other study programmes for 18 year olds which can be adjusted to fit within the lower number of funded hours for that age group. This arrangement will apply to 18 year olds on T Level programmes only. Funding arrangements for 18 year olds on other study study programmes will be unchanged. As with other aspects of these funding proposals, we will keep our approach to 18 year olds under review to ensure our plans are affordable within the budget available. Information on transitional support to help those not yet ready to start on T level programmes at 16 will be outlined in the future.

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

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

Funding and hours for Industry Placements will be provided in addition to the above. We intend to provide funding on an annual basis, which means for **each year** allocating:

- the relevant **annual funding rate** for planned hours for the funding band each pathway is placed in i.e. £4,170, £4,835, £5,335, or £5,835 as row 3 of Table 1, modified by the other funding formula factors such as programme cost weights (see section 5)
- plus **half** the industry placement payment i.e. £275 (see section 3)

Providers will however decide how they split delivery for planned hours and industry placement hours over the 2 years, based on the needs of their students and other local circumstances.

Funding for level 2 maths and/or English for students who do not meet the minimum exit requirement will be provided separately (see section 4).

The average planned hours over the 2 years shown in the first row of Table 1 will include:

- the T Level Technical Qualification which we expect to fall between 900 and 1400 hours over the 2 years
- any specified additional requirements such as qualifications required for entry to employment that are essential for that T Level
- Employability, Enrichment and Pastoral (EEP) hours– we have allowed for an average of 75 hours per year (150 hours over the 2 years) per student for this within the hours bands shown

For example the planned hours over the 2 years for a student on a T Level programme in band 7 (medium) might be made up as follows (excludes Industry Placements, and level 2 maths or English).

T Level qualification – 1250 hours
Specified additional requirements – 50 hours
EEP – 150 hours
<b>Total – 1450 hours</b>

We propose to set minimum planned hours required over the 2 years, for each funding band (as shown in row 2 of table 1) although we will expect the average T Level programme sizes at each provider, to meet the average planned hours (row 1). This would be similar to the current arrangement where minimum planned hours for band 5 are set at 540 but an average of 600 is expected (and some study programmes are therefore bigger than 600 planned hours).

While we intend to allocate funding according to the **annual funding rates** shown in row 3 of table 1, we expect to collect information from providers about planned hours (and to validate this against the minimum planned hours) over a 2 year period. This means that providers will be able to design T Level study programmes flexibly with regard to how many of the required planned hours they include in each year.

Under current funding arrangements, study programmes automatically trigger the rate for a particular band if they meet the minimum size requirements e.g. a programme of 540 hours triggers the band 5 rate. For T Levels however, each pathway will be placed in one of the 4 new T Level bands. It will attract the funding for that band if the minimum hours requirement is met. However it will not attract the funding for a higher band than that assigned, even if a provider gave a student significantly more hours – for instance a large number of EEP hours.

Some institutions with post-16 students such as special schools and special academies are funded separately from the 16 to 19 funding arrangements and receive some or all of their funding from local authorities' dedicated schools grant through the high needs funding system – this includes the funding for students' core education as well as for their additional SEN support costs. Some of these institutions may decide, with the local authority that specifies the provision in the students' education, health and care plan, to offer T Levels to their students, and where this is the case we will explore the best way of funding them for delivering the new larger T Levels programmes.

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

## 2. Allocating T Levels to funding bands

We are not yet able to allocate each of the planned 25 T Level pathways to a funding band because the Technical Qualifications have not yet been developed.

However, outline content has been developed for the first 3 pathways – Education and Childcare, Construction (Design, Surveying and Planning), and Digital (Digital Production, Design and Development) - and published by the [Institute for Apprenticeships](#) (the Institute).

The DfE ran a series of events earlier this year seeking views on the outline content for these pathways and one of the outcomes was an early estimate of the teaching time required for the first 3 pathways. We have used this information to make a provisional allocation of the first 3 pathways to the funding bands as shown in Table 2 below.

**Table 2: Provisional allocation of the first 3 T Level pathways to funding bands.**

<b>Route/Pathway</b>	<b>Band</b>
<b>Education and Childcare</b>	
<i>Education and Childcare</i>	<i>Band 7 medium</i>
<b>Construction</b>	
<i>Design Surveying and Planning</i>	<i>Band 7 medium</i>
<b>Digital</b>	
<i>Digital Production Design and Development</i>	<i>Band 7 medium</i>

We will continue to look closely at emerging information about the first 3 Technical Qualifications as they are developed. If necessary we will adjust our provisional allocation of these 3 T Levels to the funding bands when confirmed information about their qualification sizes becomes available. While we expect T Level Technical Qualifications to fall between 900 and 1400 hours over the 2 years, we have included band 9 for any exceptional circumstances where Technical Qualifications might be larger than 1400 hours for future T Levels.

Working with the Institute we plan to follow the above principles to allocate the rest of the T Levels to funding bands, but to finalise this we will need to consider the overall affordability of T Levels within the funding that is available. For example, if emerging

information about qualification sizes suggests more T Levels than we expect might be in the larger funding bands with the higher rates, we will look at this further, and we may need to review the funding bands and/or the subsequent allocation of T Levels to the bands. In the event of any adjustments, we expect to continue the principles of calculating the rates on a pro rata basis using the current base rate of £4,000 for 600 hours, and ensuring there are enough hours in each band for each T Level. Our initial work however suggests that an approach with 4 bands as described above, should meet the needs of all pathways.

The above approach will enable us to ensure that:

- the T Level bands are the right size
- pathways are placed in the appropriate band
- the proposals are affordable against the budget available

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

### 3. Funding industry placements for students on T Levels

[The Sainsbury Report](#) published in July 2016 suggested a payment to providers of around £500 per student taking an extended industry placement.

By 2020, when the first T Levels are delivered, we will have already allocated significant funding to providers through the Capacity and Delivery Fund (CDF) to both help them build their capacity to provide industry placements, and to start delivering placements for some students. By 2020, we expect providers to be well-placed to deliver placements, and as funding for the actual delivery of T Level industry placements starts (and then gradually increases) from 2020, we envisage any remaining CDF funding will gradually decrease. By the time T Levels are fully rolled out and student numbers are in steady state, we expect funding for industry placements within T Levels to completely replace CDF.

We plan to fund industry placements within T Levels through the funding formula while CDF will remain outside the formula until it is no longer needed. We propose funding industry placements for students on T Levels at an indicative set rate of £550 with half the funding in the first year and half in the second (i.e. £275 a year). This rate of £550 is based on the amount we made available for the previous work experience trials, and more recently for the Industry Placement pilot we ran in the 2017/18 academic year. The funding has been used effectively in both cases and has enabled providers to put in place adequate resource to deliver successful placements.

Initially we plan to allocate this funding for the years students are studying, reverting to lagged arrangements later and at that stage making the second year's funding conditional on the placement being completed. Providers will be required to indicate on the Individualised Learner Record (ILR)/School Census that the industry placement has been completed in accordance with the criteria set out in annex A.

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

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

## Example programme

The example below shows the combination of planned hours and an industry placement for a potential T Level programme. This is for illustrative purposes only and does not show:

- the further hours and funding that will be provided if level 2 maths and / or English is needed to meet the minimum exit requirement (see section 4)
- the funding uplifts that will result from formula factors such as programme cost weights (see section 5)

### Hours and funding covering a 2 year programme

The chart below shows an example of a possible T Level programme for a pathway in funding band 7 (medium) over the 2 years.

Hours of learning (spread over 2 years)	Funding (over the 2 years)
<b>Planned hours: 1450 hours</b>	
Of which: <ul style="list-style-type: none"><li>T Level qualification: 1250</li><li>Specified additional requirements: 50</li><li>EEP: 150</li></ul>	<b>Band 7 funding rate: £9,670</b>
<b>Industry placement: 350 hours</b>	<b>Industry placement payment: £550</b>
<b>Overall total: 1800 hours</b>	<b>Overall total: £10,220 before formula factors</b>

We expect the total average hours for a medium sized programme (including the industry placement) to be around 1800 hours over the 2 years, at an average of 900 hours a year. Bearing in mind that some students will receive additional funded hours for level 2 maths and or English, we expect the hours of learning across all T Level students to average over 900 hours a year.

## Hours and funding for each year

We intend to split the funding so that we provide it on an annual basis as we do for other programmes, and the chart below shows an example of year 1 of a possible T Level programme for a pathway in funding band 7 (medium).

Hours of learning (year 1)	Funding (year 1)
<b>Planned hours: 800 hours</b>	
Of which: <ul style="list-style-type: none"> <li>• T Level qualification: 700</li> <li>• EEP: 100</li> </ul>	<b>Band 7 annual funding rate: £4,835</b>
<b>Industry placement: no hours (all in year 2)</b>	<b>Industry placement annual payment: £275</b>
<b>Year 1 total: 800 hours</b>	<b>Year 1 total: £5,110 before formula factors</b>

And the chart below shows an example of year 2 of a possible T Level programme for a pathway in funding band 7 (medium).

Hours of learning (year 2)	Funding (year 2)
<b>Planned hours: 650 hours</b>	
Of which: <ul style="list-style-type: none"> <li>• T Level qualification: 550</li> <li>• Specified additional requirements: 50</li> <li>• EEP: 50</li> </ul>	<b>Band 7 annual funding rate: £4,835</b>
<b>Industry placement: 350 hours</b>	<b>Industry placement annual payment: £275</b>
<b>Year 2 total: 1000 hours</b>	<b>Year 2 total: £5,110 before formula factors</b>

## 4. Funding Maths and English at Level 2

Those students who do not hold a GCSE grade 4 (or above) or a level 2 Functional Skills qualification in maths and or English by the start of their T Level will need to continue studying these subjects as part of their T Level programme in order to meet the minimum exit requirement. As this requirement is already built in to T Levels, the maths and English [condition of funding](#) which applies to other 16-19 study programmes will not apply to T Level programmes.

As set out in the response to the wider [T Levels consultation](#), we will provide additional funding for this purpose on top of the hours needed for the T Level itself. This is because the hours required for the Technical Qualifications will be fixed and there won't be flexibility to accommodate maths and English within the T Level hours.

We propose providing a one-off payment (during the first year of T Level programmes) of £750 per subject per student to cover these maths and or English needs over the 2 years. Students who need both maths and English would attract this payment for each subject (i.e. £1500) in total but as T Levels are level 3 programmes, we expect the numbers needing both subjects to be low. Where the student has not reached level 2 by the end of their first year and needs to continue study into the second year, no further additional funding would be allocated. This rate is subject to confirmation as we get a better understanding of likely take up, and to ensure our proposals are affordable within the budget available. This arrangement will apply to students on T Level programmes only.

Given that some students will achieve the required level 2 qualification at the end of their first year, this level of funding will **on average** be enough for around 70 hours of tuition (at current 16 to 19 rates) to cover **each subject in each year** that **each student** needs it.

We propose adopting this approach (instead of smaller payments during each year) so that the funding is available to tackle maths and English early in students' programmes, and providers are encouraged to help students gain their level 2 qualifications as soon as they are ready. We plan to use existing student data to identify how many students at each provider are likely to need this one off payment based on their GCSE or Functional Skills achievement in maths and English prior to commencing their T Level. This approach will remove the need for additional data collection and an additional administrative burden for providers.

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

## 5. Formula factors

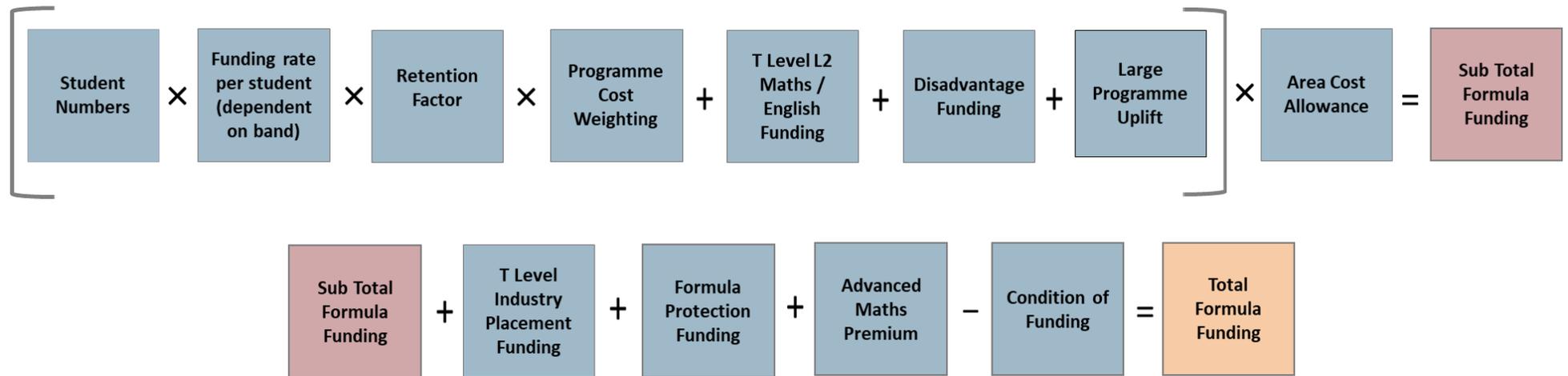
This section sets out how we plan to apply formula factors to T Levels funding, including an outline of how we will deliver this and what data we will use.

In keeping with our approach of building on the current arrangements to distribute T Levels funding, we plan to adapt the existing funding formula to distribute funding for T Levels. We expect the funding formula to operate as shown in Chart 1 overleaf which also shows the order in which we expect the formula factors to apply.

## Chart 1: Proposed Revised 16 to 19 Funding Formula

### Please note

- we plan to retain one common 16 to 19 funding formula
- the 'funding rate per student' will depend on which band the programme is in
- some elements of the revised formula will depend on the type of programme, for example:
  - the 'T Level L2 Maths / English Funding' and the 'T Level Industry Placement Funding' elements will **only** apply to students on T Level programmes
  - the Condition of Funding element will **not** apply to T Level programmes



## 5.1. Student numbers and funding bands/rates

In keeping with current funding arrangements, we intend to use student numbers and the relevant funding band / rate to determine per student funding, prior to applying the formula factors.

In steady state when all T Levels have been rolled out, we intend to continue to calculate the number of students we fund through the lagged student number approach, using student numbers from the previous year's data return as we do now. We will use the last available full year data to determine the proportion of students to be funded in each band.

For the early delivery of T Levels, we plan to allocate the funding for T Levels for the year in which providers will start delivering the specific pathway. For example, providers that begin delivery of a T Level in 2020/21, will receive additional funding in that year for that particular T Level rather than waiting for this to come through the normal lagged approach. Funded student numbers will be derived from a combination of historical data for students based on delivery of relevant level 3 technical programmes, and the number of student places the provider plans to deliver for each pathway. We expect to revert to a lagged system for student numbers when it is possible to do this using previous years' data.

Because this process for the early delivery of T Levels is based on planned student numbers, we envisage the need for some reconciliation against actual delivery (likely applying an appropriate tolerance as we currently do for other elements of our funding formula). We do not expect institutions to plan substantially higher volumes in their early delivery of T Levels compared to their historic delivery in the relevant sector/subject. Exceptional cases in this regard would be subject to the standard business case process used for 16 to 19 funding.

The above approach will ensure sufficient funding is made available for first delivery in the years it is needed. Full details of the actual allocations methodology will be published in Summer 2019 including the detailed methodology covering the early delivery of T Levels, steady state delivery (which will apply in the longer term), and the transition between the two.

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

## 5.2. Retention

T Levels will be full time 2 year programmes and as is currently the case, students will need to attend for a qualifying period to be eligible for funding each year. This will remain unchanged at 6 weeks.

For 2018/19 allocations, we changed our definition of retention so that students who are on a 2 year programme and complete their first year, will be counted as retained in that academic year; this definition will remain in place until further notice.

In keeping with the arrangements for students on other 2 year programmes, it is our intention that T Level students who complete their first year will attract full funding for that year, and students who complete the qualifying period of 6 weeks but fail to complete the first year will attract 50% funding. Students who transfer to a different pathway with the same provider during an academic year will be counted as retained. As currently with other programmes, the same principles will apply to the retention of T Level students during their second year.

In keeping with current arrangements, this approach is intended to ensure that providers receive funding for the costs they incur, as well as a financial incentive to support retention.

Currently, when determining the retention factor, we calculate a retention rate at student level and aggregate this up across all students using lagged data; we intend to incorporate T Levels into this approach when T Levels are rolled out and data for T Level students becomes available.

In the interim, before data on T Level students is available we will continue to apply the institution's retention factor calculated from the provider's last full year of data as we do currently.

We intend to continue with the arrangements already in place that require providers to record and monitor student attendance, transfers, changes to their study programmes, and withdrawals. The Education and Skills Funding Agency (ESFA) will continue to ensure these requirements are being adhered to through its ongoing monitoring arrangements and audit programme, and will adjust the arrangement to meet the needs of T Levels if necessary.

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

### 5.3. Programme Cost Weighting

Programme Cost Weightings (PCWs) are used to recognise that some programmes are more expensive to deliver than others. They are currently applied to funding, once retention has been taken into account and we plan to continue with this principle for T Level funding.

The PCWs currently used for study programmes are as below and these mean that funding rates are currently uplifted by up to 30% for many programmes (and by 75% for a small number of programmes if they are being delivered at specialist land based institutions).

Base	1.0
Medium	1.2
High	1.3
Specialist institutions	1.75

Applying PCWs will mean that the funding rate for the relevant band would be uplifted by the PCW factor. While the funding rate for each band recognises the size (number of hours) of the relevant T Level pathway as explained in section 1, the PCW recognises the higher delivery costs (per hour). For example if Education and Childcare attracted the band 7 rate of £4,835 per year with a PCW of 1.2 this would uplift the rate to £5,802.

The current PCWs mapped to each T Level are shown in Annex B, however we don't yet know if these weights are appropriate for T Levels. We will undertake a piece of work over the coming months (involving the sector) to identify any changes that need to be made to the PCW rates and / or mapping to the T Levels, although this will need to consider if we can better distribute the funding available rather than increasing the money for PCWs.

Once the PCWs are agreed, we plan to apply them to the funding rates attached to the new T Levels funding bands, using a similar method to that used in the current allocations system. We will include details of this and exactly what data we will use in the allocations methodology for T Levels which will be published by Summer 2019.

Funding for the industry placement and level 2 maths and/or English (for students without a GCSE grade 4 or level 2 Functional Skills qualification) will not attract PCWs.

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

## 5.4. Level 2 maths and English funding

Section 4 above outlines our plans for funding level 2 maths and English funding for T Levels students without a GCSE grade 4 (or above), or level 2 Functional Skills qualification. We propose including this funding **after** PCWs in the funding formula so that it is not uplifted by PCWs. This is because the cost of this level 2 provision will be the same whichever pathway students are taking, and should not therefore be affected by PCWs.

However, we propose including the level 2 maths and English funding **before** the disadvantage funding and area cost factors in the formula, so that it is uplifted by disadvantage block 1 and the area cost allowance. This will mean that extra funding is provided to meet the additional costs of teaching level 2 maths and English for disadvantaged students, and to meet the additional costs of this provision for institutions in higher cost areas of the country.

When data for students on T Levels becomes available, we will use lagged prior attainment data (which is already recorded in the ILR and the school census) to identify the students on T Levels that require the additional funding.

In the interim we will use lagged prior attainment data and apply the proportion of students studying equivalent level 3 technical programmes at an institution without a GCSE grade 4 or above, or level 2 Functional Skills qualification to the number of T Level students being funded at that institution.

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

## 5.5. Disadvantage funding

The purpose of disadvantage funding is to help attract, retain and support disadvantaged students and those with learning difficulties and disabilities. This funding is made up of 2 parts: block 1 accounting for students' economic deprivation; and block 2 accounting for low prior attainment. T Level programmes will be more demanding and have more hours than other study programmes, therefore we intend to provide more disadvantage funding in line with the extra hours to enable providers to extend their support for T Level students.

*Disadvantage block 1:* this provides a percentage funding uplift (depending on the level of deprivation) for students living in the 27% most deprived areas<sup>2</sup> of the country. We intend to apply these uplifts to the new higher T Levels funding rates and the extra funding for level 2 maths and or English, which will increase block 1 disadvantage funding for T Level students accordingly.

When we have lagged data for students on T Levels we will apply the post code of the students recorded on T Levels to calculate this funding, as we do for all other programmes. In the meantime we will continue to use institutions' historical data, which includes students who are currently on technical programmes likely to convert to T Levels.

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

*Disadvantage block 2:* this funding is attracted by those students with low prior attainment and is measured by those not achieving English and/or maths GCSEs at grades 9 to 4 (or grades A\* to C) at age 16. Although this is calculated in a similar way, it is different to the proposed funding for Level 2 maths and English described above. The block 2 funding is not intended for teaching level 2 maths and English, but uses maths and English attainment as a proxy to calculate funding for the additional costs of teaching and support required by students with low prior attainment or additional needs. Currently full time students attract £480 in each year of their programmes for each of these 2 subjects where they haven't achieved the specified grades. We propose to uplift these payments to £600 for T Level students; this is 25% higher than current payments and is based on the fact that on average planned taught hours for T Levels students will be about 25% higher than those on other study programmes.

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<sup>2</sup> Lower super output areas.

When we have lagged data for students on T Levels, we will calculate this funding using the latest end year data for students recorded on T Levels on a lagged basis.

Before we have data for individual students on T Levels, we will calculate this higher funding rate for disadvantage block 2 based on the proportion of T Level students in the overall funded student number at each institution, and the prior attainment of students currently on level 3 technical programmes. We don't consider that there will be any significant change in the student characteristics from those students on current level 3 technical programmes.

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

## **5.6. Large programme uplift (LPU) and Advanced Maths Premium**

As set out in the response to the T Levels consultation, we believe that students should be able to choose to take an A level as well as their T Level, particularly if it supports progression – although the numbers may be small because T Levels will be demanding full time programmes in their own right.

We are supportive of high attaining students who want to take core maths or maths A level alongside their T Level. The [advanced maths premium](#), announced in 2017, will mean there is funding for this where providers are expanding the number of students taking level 3 maths.

We also plan to include [LPU payments](#) for students on T Level programmes who are doing an A level at the same time.

We propose that LPU payments will require the student to achieve the minimum grade requirement of a grade B in the A level (or grade C in the case of further maths) as is already the case for this uplift. Students will also be required to achieve a minimum grade requirement in their T Level to trigger this uplift. The exact grading structure for T Levels has not yet been finalised, but when it is we will clarify the minimum grade required to attract the large programme uplift.

For this uplift, as per current arrangements, an indicative lagged uplift of £800 covering the 2 years will apply and if exceptionally the student were to take 2 A levels alongside their T Level, an uplift of £1600 covering the 2 years would apply (provided the achievement requirements are met). The funding amounts are equivalent to the 10% and 20% uplifts to the base rate used for other study programmes.

As a consequence of using attainment data there is currently a 3 year lag before the uplift is included in allocations. Therefore in keeping with current arrangements, the funding for any student starting a T Level in 2020 and meeting the attainment criteria on completion in the 2021/2022 academic year, will be paid in 2024/2025.

Beyond the advanced maths premium and the LPU, providers may choose to give extra hours to some students if it is agreed the student is able to study an A level as well. Providers may be able to balance these extra hours by giving slightly fewer to other students (e.g. some students may need less EEP). This would enable providers to arrive at an average position of planned hours per student as they currently do under study programmes – provided all students have the minimum number of planned hours for the band their T Level is in (see section 1). Providers may also choose to use EEP hours to help fund an A level where a student wishes to take one and where the provider agrees the student can manage this.

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

## **5.7. Area cost allowance**

There is a marked difference in the relative costs of delivering 16 to 19 study programmes between London and the South East, and the rest of England. We propose to uplift the higher funding rates attached to the new T Levels funding bands for providers, based on their delivery location in the same way and at the same percentage as funding is uplifted for existing study programmes. This means that the extra funding that will be provided for the new and larger T Level programmes will also be uplifted by area cost allowances.

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

## **5.8. Formula Protection Funding (FPF)**

We introduced formula protection funding in the academic year 2013/14. It shields institutions from significant decreases in funding per student resulting from the changes to the funding formula in 2013/14, and as previously communicated, it is being phased out over 6 years with the final payment made in 2020/21 academic year allocations.

A small number of institutions expected to deliver T Levels in the 2020/21 academic year are in receipt of FPF in the final year. The additional funding attracted by T Level funding will not be taken into account for the calculation for FPF.

## 6. The local offer

This section describes how as part of the roll out of T Levels, we want to ensure that provision is responsive to the skills needs of local areas.

There are existing and developing mechanisms that will help here:

- As set out earlier in this document, we are working to ensure that the right level of funding is available for those T Levels that are more expensive to deliver, so they can be delivered at the scale required
- Our careers strategy aims to help young people make effective choices about post-16 options
- The Local Growth Fund enables capital investment in skills provision that will help the local economy
- To ensure that local areas have the expertise to address skill shortages we are working to put in place Skills Advisory Panels (SAPs) in each Mayoral Combined Authority (MCA) or Local Enterprise Partnership (LEP) area. Where possible these will build upon existing infrastructure e.g. using existing boards where available. They will support high quality analysis which underpins skills strategies and local industrial strategies
- All MCAs and LEPs will produce Local Industrial Strategies that will help to inform local choice and prioritise local action where appropriate

To ensure that T Level delivery reflects skills needs, we will make it a clear expectation in provider funding agreements that we expect providers to have due regard for the skills analysis and any local plans/strategies published by the SAP. We would expect providers to work together to provide the skills offer that is needed without undue duplication. We also plan to include in forthcoming guidance to SAPs that they should have regard for providers' missions and capabilities in their planning work.

In general, providers and local bodies (including SAPs) will work together to ensure provision meets local needs. Where there are significant skills gaps or emerging new priorities and there isn't a local agreement on how T Level delivery to meet these will be put in place, we are proposing that the local bodies could use the ESFA process for filling gaps in local provision. This would require an evidenced case for the provision developed by the local bodies (demonstrating for example commitment from local employers to provide Industry Placements). The ESFA would review the case, and if found to be robust, ESFA would take action, including:

- a) reviewing the position with existing local/regional and if necessary national providers, and proposing solutions

b) if necessary, going out to tender for a different provider to make new provision in the local area, with an increased funding allocation to help to put this in place for 2 or 3 years where needed

This approach would make ESFA intervention the exception rather than the rule, while still providing mechanisms for addressing local skills shortages where needed.

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

## 7. Equality Impacts

We are committed to ensuring equality of opportunity for all young people and adults in the education system. It is important for us to consider the possible impact that the proposed funding policy stated in this consultation could have on different groups. This will help us not only to identify, avoid and manage any possible negative impact, but also to make the most of any opportunities to have a positive impact.

In accordance with the Equality Act 2010, when making a decision, public bodies must have due regard to: the need to eliminate discrimination, harassment and victimisation; advance equality of opportunity between those people who share a protected characteristic and those who do not; and foster good relations between those who share a protected characteristic and those who do not. The protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

The purpose of this section is to ask for your views on the proposals set out above in this consultation, and whether they are likely to have a positive or negative disproportionate impact on any student with relevant protected characteristics under the Equality Act 2010.

**Question 15: How could any adverse impact be reduced and are there any ways we could better advance equality of opportunity or foster good relations between people who share a protected characteristic and those who do not? Please provide evidence to support your response.**

# Annex A: Proposed criteria for students completing their industry placement as part of their T Level

## Essential criteria

**Note:** While the final criteria will be confirmed by the Institute, we have set out below what we expect a student on an Industry Placement to fulfil in order to be eligible for full funding in steady state delivery (as per section 3).

A student will be deemed to have completed their placement when the employer and provider agree the student has met the following conditions (subject to reasonable adjustments for those with special educational needs and disabilities):

- attended a placement working directly to an external employer outside their normal learning environment away from their peers and teaching staff
- attended for a minimum of 45 working days (and a minimum of 315 hours)
- demonstrated relevant and up-to-date technical skills and theoretical knowledge related to their field of study at the appropriate level (as defined by their technical qualification) in a workplace environment
- had first-hand experience of carrying out tasks related to that occupation
- developed and demonstrated behaviours and attitudes expected in the workplace
- recorded their progress as required – see below
- can demonstrate commitment towards the learning objectives set at the start of the placement – see below

Employers and providers should not unreasonably withhold completed status if the above conditions have been met. Completed status can be withheld in the following circumstances, unless for reasons outside of the control of the student:-

- where the student has failed to attend the placement for 45 working days or not attended for the full 315 hours
- where the student has been given the opportunity to demonstrate the relevant skills and / or theoretical knowledge and has failed to do so
- where the student has been given the opportunity to demonstrate the behaviours and attitudes expected in the workplace and has failed to do so
- where the student has failed to demonstrate commitment towards their learning objectives agreed at the start of the placement
- where the student has failed to record their progress as required – see below

## Alternative placements

The student will **not** obtain their T Level until they have successfully completed their Industry Placement. If a placement is not completed for reasons **outside** the control of the student the provider is responsible for arranging an alternative placement (no additional funding will be available for this).

If the provider determines that a placement is not completed for reasons **within** the control of the student, the student will not have successfully completed their industry placement. It will be at the discretion of the provider as to whether the student should be entitled to another industry placement in order to obtain their T Level, and who is responsible for sourcing this placement.

## Record keeping

To ensure that there is an accurate record of the placement and for audit and external assessment purposes, learning objectives should be agreed and a progress report should be documented in an Industry Placement portfolio. This will remain a 'live' document throughout the placement so that progress can be recorded by all parties at any point. A template along with further guidance for this portfolio will be provided in due course. We would expect providers and employers to use this document (or one that meets the same standards) to monitor compliance against the conditions set out above. The student should be advised as early as possible if they are failing to meet any of the conditions.

At the end of the placement, the employer will be expected to provide an appraisal of the student's performance on the placement, including how that student has demonstrated commitment towards the learning objectives. This should be added to the Industry Placements portfolio. A copy of the Industry Placement portfolio will be made available on request so that future prospective employers can see it alongside the T Level certificate.

**Note:** while the minimum requirement is set at 45 working days and 315 hours, our expectation is that placements will be on average 50 working days in length and in accordance with the normal full time working pattern of the employer (which would typically consist of 7 to 7.5 hours a day).

## Annex B: Initial mapping of T Levels to Programme Cost Weightings

<b>Route/Pathway</b>	<b>PCW (see section 5.3)</b>
<b>Agriculture, Environmental and Animal Care</b>	
<i>Agriculture Land Management and Production</i>	1.3 (1.75 in specialist institutions)
<i>Animal Care and Management</i>	1.3 (1.75 in specialist institutions)
<b>Business and Administrative</b>	
<i>Human Resources</i>	1.0
<i>Management and Administration</i>	1.0
<b>Catering and Hospitality</b>	
<i>Catering</i>	1.2
<i>Hospitality (apprenticeship pathway only)</i>	N/A
<b>Education and Childcare</b>	
<i>Education and Childcare</i>	1.2
<b>Construction</b>	
<i>Building Services Engineering</i>	1.2
<i>Design Surveying and Planning</i>	1.2
<i>Onsite Construction</i>	1.2
<b>Creative and Design</b>	
<i>Craft and Design</i>	1.2
<i>Cultural Heritage and Visitor Attractions</i>	1.0
<i>Music Broadcast and Production</i>	1.0

<b>Route/Pathway</b>	<b>PCW (see section 5.3)</b>
<b>Digital</b>	
<i>Development and Digital Business Services</i>	1.2
<i>Digital Support and Services</i>	1.2
<i>Digital Production Design and Development</i>	1.2
<b>Engineering and Manufacturing</b>	
<i>Design Development and Control</i>	1.3
<i>Manufacturing and Process</i>	1.3
<i>Maintenance Installation and Repair</i>	1.3
<b>Hair and Beauty</b>	
<i>Hair, Beauty and Aesthetics</i>	1.2
<b>Health and Science</b>	
<i>Community Exercise Fitness and Health (apprenticeship pathway only)</i>	N/A
<i>Health</i>	1.0
<i>Healthcare Science</i>	1.0
<i>Science</i>	1.0
<b>Legal, Finance and Accounting</b>	
<i>Accounting</i>	1.0
<i>Financial</i>	1.0
<i>Legal</i>	1.0



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