

CBI RESPONSE TO THE DEPARTMENT FOR EDUCATION'S CONSULTATION ON THE IMPLEMENTATION OF T-LEVEL PROGRAMMES

1. The CBI is the UK's leading business organisation, speaking for some 190,000 businesses that together employ around a third of the UK's private sector workforce. We represent businesses of all sizes from all sectors, employing people with technical education qualifications at all levels – from Level 2 to Level 7. We also have members involved in delivering technical education – among these are both private providers and colleges. The CBI welcomes the opportunity to respond to the Department for Education's consultation on the implementation of T-level programmes.
2. The Government has rightly identified that addressing the UK's skills shortages is one of the crucial pillars for building a modern, place and sector-based Industrial Strategy. A reformed technical education system has a vital role to play in tackling our skills challenges and improving social mobility as one of a range of routes to higher-level skills.
3. The CBI has long called for the creation of a high-quality technical route that is of equal value and esteem as the academic A-level at age 18, and fully supports these reforms as an opportunity to deliver this transformative change. Businesses are deeply committed to working in partnership with the DfE, and the Institute for Apprenticeships and Technical Education (IFATE), to design and deliver a technical education system that fills skills gaps, tackles shortages and drives better prospects for individuals from all backgrounds.
4. This consultation process comes at an important time in the development of the T-level programme and allows the new Secretary of State's team to understand and engage with businesses and providers on the new system. Over the last year it is notable how Department officials have reached out and worked constructively with the business community on skills issues, which employers have greatly appreciated. Maintaining these levels of engagement with employers will be vital as we move towards launch of the first T-level programmes in September 2020.
5. Many of the building blocks of an effective skills system are already in place, but we need a skills approach that lasts for fifty years, not five. There is now an opportunity to establish a stable national skills framework as part of the Industrial Strategy – through a world-class technical education system, a reformed Apprenticeship Levy system and the National Retraining Partnership. The CBI and its members are committed to increasing high quality provision across the economy by working with the Government to build a stable and investible skills system that is genuinely reflective of what the labour market needs.

In this response, we argue that:

- **Getting our skills system right is vital to securing future growth and improving social mobility; this is why business is committed to a world class technical education system**
- **The drive to implement T-levels is positive, but Government must not underestimate the scale and complexity of these reforms**
- **Getting the delivery of T-levels right requires genuine employer engagement and co-design**
- **T-levels must be coherent with the education and skills systems to ensure the right outcomes for learners, businesses and the economy**

Getting our skills system right is vital to securing future growth and improving social mobility; this is why business is committed to a world class technical education system

6. The UK economy is evolving - changing technologies, products, and services mean that businesses will need higher skilled workforces in the years ahead. This reflects the 'new middle' in the labour market, where many jobs require higher skill levels than they have previously.¹ Three quarters of businesses (75%) in our *2017 CBI/Pearson Education & Skills Survey* expect to need more people with higher skills in the future.² However, skills shortages are holding back businesses, with six in ten employers (61%) not confident about filling their high-skilled jobs in future.³ It is vitally important to find ways to increase skill levels both to meet business needs and to enable individuals to progress into higher skilled, better-paid work.
7. Firms are committed to investing in the skills of the next generation as well as their existing workforces. More than four out of five (83%) in our *2017 CBI/Pearson Education & Skills Survey* said they are involved in an apprenticeship programme, and more than three in four (77%) said that they have an explicit learning and development strategy.⁴
8. The CBI welcomed the Government's support and funding commitments towards T-levels in the March Budget and we have supported the DfE team and its Implementation Advisory Group. Our aim is to ensure T-levels are taken seriously by employers and learners as quality education routes which open-up progression ladders to great careers as soon as the first programmes are delivered.
9. Previous attempts at skills reform demonstrates the cost of getting this wrong and the need for a new and different approach. Despite repeated attempts at reform over the past three decades, frequent changes have not effectively addressed genuine skills issues. Over the last thirty years a range of different policies, qualification and funding streams have been introduced and then, in time, overhauled and replaced. This cycle of near perpetual reform has alienated firms, confused learning providers and failed to deliver on businesses' or learners' skills needs.
10. If these latest reforms are to be different from previous skills interventions, they will have to deliver a system that is genuinely reflective of what the labour market needs and how people succeed. Therefore, our response addresses what will need to happen to achieve this.

The drive to implement T-levels is positive, but Government must not underestimate the scale and complexity of these reforms

11. The introduction of T-levels is a significant step for UK business and government. In the last 30 years there have been 28 major pieces of legislation related to vocational, further education and skills training in England, all of which have been well-intentioned but have not solved skills problems.⁵ This time, things need to be different.
12. Businesses welcomed the Department's decision to implement the first T-levels a year later than originally planned from September 2020, to allow more time to get the system right. But even with an extended timetable, a systemic change of this scale will still face

¹ CBI, *A better off Britain*, 2014

² CBI/Pearson, *Education & Skills Survey*, 2017

³ *ibid*

⁴ *Ibid*

⁵ Institute for Government, *All change*, 2017

considerable challenges. There is also concern among businesses about the Department's and IFATE's capacity to deliver the reform effectively. It is important that the vital lessons about the implementation of the Apprenticeship Levy are learnt if T-levels are to succeed. To this effect, it is encouraging that the Department has been working with business on T-level system design from the outset and including 'delivery' within the scope of its early plans.

13. This consultation window offers an opportunity to test and, if necessary adapt, the proposals based on feedback from the business and provider community.

Government, businesses and providers must change their approach to skills for T-levels to deliver successful outcomes

14. Unlike previous technical education reforms, T-levels are intended to be designed by business and government together. This is part of a positive shift to more employer ownership of skills in England – including standards and the creation of IFATE. However, as the CBI's new report *In Perfect Harmony: Improving Skills Delivery in England* shows, the incentives that the current national system sets up have encouraged lower-level, mass-delivered provision, caused employer disengagement and – in many cases – not led to improved outcomes for learners.⁶ This is demonstrated by the 125,000 young people each year that study for qualifications at the same or lower level than those they have already achieved.⁷
15. Ensuring a coherent and quality T-level system will require a different approach to skills from government, businesses and providers. Achieving this will rely considerably on the Government maintaining a stable framework of funding, incentives and regulation that encourages employers and providers to invest in higher-level provision. We have urged the Government to commit to a joined-up skills strategy, by working closely with business on system design, avoiding regular new initiatives which distract, and aligning quality measures to addressing skills gaps and shortages.
16. The consultation document outlines positive intent to introduce the right incentives and accountability measures to encourage high-quality provision targeted towards long-term outcomes for learners. However, the introduction of the Apprenticeship Levy policy showed the need for improved understanding within government of the economics of business training decisions. Businesses urge the Government to ensure that the Department and IFATE have the right commercial acumen and market management skills in place. This will help to ensure that the incentives that the T-level system sets up encourages employer investment and provider responsiveness.
17. For their part, businesses must recognise how investment in skills has changed. This is no longer simply about buying the training that Government prescribes but investing time and resource differently by working in collaboration with providers and each other to design quality provision.

Empower the Institute for Apprenticeships and Technical Education

18. The Institute will take on responsibility for technical education in 2018, and businesses welcome its unifying role as a voice for users of the skills system. As the key body at national level for vocational skills in England, however, the Institute must be able to challenge Government to ensure that its actions are aligned across all stages of skill development and focussed on outcomes, not just numbers. This will set a firm base for investment in skills as part of the industrial strategy. It is therefore vital that the Government gives the Institute the space to become an independent market regulator

⁶ CBI, *In Perfect Harmony: Improving Skills Delivery in England*, 2018

⁷ *ibid*

that reports on the performance of the skills system in tackling shortages, using its own metrics and insights.

19. The scale of the Institute's new responsibilities for T-levels are a major undertaking, including the approval and management of content across the 11 technical routes, on top of its current responsibility for apprenticeships. It is vital that the DfE takes steps to increase resource in crucial new areas of responsibility for the Institute.
20. Businesses support proposals for T-level content to be based on approved standards, which will better align the qualifications with the knowledge, skills and behaviours of apprenticeship standards. However, a key concern for employers is ensuring swifter progress on approvals to ensure they are in-step with the timetable for delivering the first programmes in September 2020. The CBI has urged IFATE to take steps to improve the approvals process and support to trailblazer groups and welcomes its recent plan to achieve this.⁸⁹ Government should also challenge the Institute to be more customer-oriented towards those developing and delivering skills training, to help improve the process and support employers.

The timescales for implementation are challenging for providers; a slower rollout of T-level routes is the right goal

21. The Government rightly wants to ensure that there is a universal T-levels offer for all young people but, given the timescales and the scale of this reform, there are concerns about providers' capacity to deliver T-levels across all routes. Many providers will struggle to plan and then offer a good range of programmes in the early years of the system, so the Government should take the time to get this right.
22. The Department must ensure that its planning cycles do not get out of step with providers'. To illustrate this, providers offering the first T-level pathways from September 2020 will need to ensure that they have clear information about funding; the right facilities and equipment in place; recruit and train staff in sufficient numbers to deliver courses; and go to market in under two years. Providers delivering routes from 2020, 2021 and 2022 will need clear lines of sight for announcements on funding, procurement and system operation. The Apprenticeship Levy's introduction showed that if vital information is repeatedly promised but consistently delayed, this will impact negatively on providers' ability to offer quality programmes within the intended timescales.
23. The timetable is clearly challenging for delivery within government. With most routes being launched in two waves in September 2021 and 2022, this could become a major 'choke point', in which the Department has limited capacity to build the critical infrastructure around these new programmes.
24. Taking the time to get T-level routes and surrounding system right makes September 2023, not 2022 the right goal for the full rollout. An additional year would allow the programmes to be implemented - as rigorously as they should be – so that they can best succeed.

⁸ CBI, *Response to the Institute for Apprenticeship's Consultation on its Draft Operational Plan*, February 2017

⁹ IFATE, *Institute announces reforms to be faster and better*, 6 February 2017

The provision strategy must work with existing skills partnerships and local plans to be effective

25. There is concern that some parts of England may struggle to offer T-levels which reflect local skills needs and provide a range of opportunities for individual students. Firms will therefore welcome the Department's plans for the new Skills Advisory Panels (SAPs) to develop a strategy for aligning local T-level provision with employers' needs.
26. Delivering high-quality provision requires leadership and innovation at a local level, including through LEPs and Mayors. It is therefore vital that the SAPs work closely with existing partnerships and support local skills plans, rather than creating new top-down structures which are one step removed from local delivery. The CBI would be happy to use its regional network to support this work.

Provide further guidance on the support and incentives for employers to deliver work placements

27. Businesses support proposals for a structured quality work placement to form a core part of the T-level programme. Many employers already offer some form of placement, including GCSE work experience and undergraduate summer internships, which help to develop work-ready skills in young people. However, the practicalities of delivering the T-level work placements programme need careful consideration.
28. The Department's current pilots are a positive development which will allow it to test and gain useful insight into how placements can work in practice and highlight the barriers that employers will face. But to date much of the detail around work placements, including the creation of the Capacity and Delivery Fund, has been provider, rather than learner- or employer-focused. This has caused some confusion among businesses about what their role is expected to be. As it completes the pilot phase and moves into policy design the Department should make a clear distinction between employers' and providers' responsibilities in providing placements.
29. Providing placements at the length and scale envisaged by the Department will be challenging for many employers, who will have to devote significant resource and cost to providing them. To illustrate this:

One business operating in the engineering sector currently runs GCSE work experience, summer internships for engineering undergraduates and work placements for sixth formers. They want to offer T-level work placements but have limited resources to support these programmes. They estimate that providing one T-level work placement would be equivalent to between five and ten GCSE work experience opportunities, factoring in the supervision and performance monitoring that will be required.

30. Delivery will be particularly challenging for specific sectors and businesses, such as small supply chain firms that may not necessarily be known to the Department or providers. Even for some more established sectors this is an issue. There are approximately 70,000 employers in the construction industry (those registered with the CITB), the majority of whom are SMEs, and there is concern in the sector's ability to satisfy the demand for placements.¹⁰ These concerns include – but are not limited to – costs. Employers also want to understand what the process will be for connecting T-level students with work placements, and, in sectors with varied work programmes (such as creative industries), how they can be supported to structure programmes for occupations with specific outcomes.

¹⁰ CITB, *The Industrial Training Levy*, 2015

31. The Government must ensure that the guidance and financial support for employers reflects the true cost of delivering work placements, to guarantee that every T-level student can do a work placement. The CBI has said that employers should have more flexibility to spend their Apprenticeship Levy on other forms of high-quality training. Given the significant real costs to employers in providing placements, the Government should allow employers to use levy funds to support the delivery of work placements to support progression from T-levels into apprenticeships.
32. The Department should also commission professional bodies and sector skills councils to co-ordinate placements for small employers. This could include a portal service to match placements to employers, but also practical support and financial incentives to cover the costs of delivering placements.
33. In addition, the proposed guidelines on whether students should be paid during work placements proposes that employers will have three options: to either employ the student, meet their expenses or not offer any financial support. This ambiguity will deter some employers from engaging with work placements, and risks leaving the door open for a very small number of unscrupulous employers to use them as a salary avoidance scheme.
34. The CBI recommends that the Department makes clear that firms delivering work placements are supporting the T-level curriculum, not substituting staff with learners - who should therefore not be paid. This will make clear to employers and learners that work placements are part of a course, not a job, and that the emphasis should be on learning. This would also be consistent with the Government's policy of exemptions to the National Minimum Wage (NMW) for work experience placements under one year that are required as part of a course. If expenses payments are needed to cover the student's travel and support costs, these should be offered by employers – with support from providers where the employer do not have capacity - and be consistent with clear guidance.

Improve careers advice and increase business engagement in schools to increase take-up of technical routes

35. Young people and their parents are often not aware of technical routes into work when they make decisions about their future, and teachers or career advisers may not encourage students to explore these options. The poor quality of careers advice is seen as a particularly widespread concern in many sectors which will form a substantial part of the T-level programme. For example, 77% of construction businesses see inadequate careers advice as a main driver of their skills shortages.¹¹
36. Many businesses are engaged in partnerships with schools to raise ambition levels among young people and inspire them about the opportunities that subjects and courses can lead to. But knowledge about how firms can get involved in schools is still too low, with nearly three-quarters (72%) of businesses reporting barriers.¹² Employers often cite a lack of interest from local schools and limited guidance on how they can get involved.
37. Good guidance is at the heart of helping young people find the right path. As the Government implements its long-awaited careers strategy, it is vital that it puts the right incentives and resources in place to deliver it. The Careers and Enterprise Company is an important part of the solution, but it needs scale if it is to grow the engagement programmes it is working with businesses to roll out. In addition, the Ofsted framework

¹¹ CBI/Pearson, *Education & Skills Survey*, 2017

¹² Ibid

should be used to encourage the appointment of senior careers leaders in every school and place a stronger emphasis on employer engagement in schools.

Getting the delivery of T-levels right requires genuine employer engagement and co-design

38. Sustained, meaningful partnership between Government, employers and providers is essential to ensure that learning and training in T-levels are aligned to the needs of the economy. Businesses have noted, and are encouraged by, the more co-operative approach taken by the Department over the last year. This includes the establishment of T-level panels and the launch of the inaugural Skills Summit. However, many firms will still not be aware of T-Levels yet. There is still more to do to design a system that all employers understand, and which understands how employers make skills decisions. Here are a few things that CBI members have reflected to us:

Increase employer understanding of and access to T-level panels

39. While some employers are represented on T-level panels, most do not know anything about them or the role they will play in shaping and steering programme content. A key priority for the Department and Institute must be to raise the panels' profile with employers – something the CBI is happy to support – and signpost clearer 'entry points', to ensure that they are properly accessible to all businesses. With the process for overseeing T-level panels currently being led by the Department but due to transfer to the Institute shortly, this is particularly important for employers wishing to engage with panels managing the delivery of the first T-levels from September 2020 - where the development process has already begun.

Ensure qualifications and curricula support relevant and transferable skills

40. Qualifications must be relevant to the labour market, and reflect the knowledge, skills and behaviours that employers need. This has not always been the case and is one driver of the current mismatch between supply and demand in England. T-level qualifications need to be well-matched with the competencies employers need, otherwise there is likely to be little pay-off for learners – or companies – in the longer-term.

41. Businesses support the proposed approach for T-level panels to develop programme content based on a broad framework, including the technical qualification and work placement. However, a singular approach to curriculum development will not address the breadth of skill need across different sectors; individual programmes will need the right level of flexibility to avoid mismatches. For example, the level of English and Maths requirements and need for additional qualifications will vary across routes, and this must be reflected in the course content. The Institute should fully implement T-level panels' recommendations for qualification content and broader programme requirements where they are consistent with the broad framework. This will give firms confidence that the system is genuinely responsive to employers' needs.

42. Some employers have raised concerns about the whether the qualifications will be too narrowly focused on one sector or career pathway at the age of 16. The CBI will be feeding into the Institute's separate engagement exercise on the content of the occupational maps shortly. This will be vital in ensuring employers and providers can determine destination options, with clear signposting to inform learners' GCSE choices and support progression from Level 2 to Level 3. But the Department should also ensure that there is a strong transferable core across all routes to set young people up for success in the labour market, including employability skills which are seen by firms as particularly valuable.

43. In addition, skills needs are changing in many sectors, so the Institute must ensure that T-level programme content is updated regularly to reflect fast-changing skill requirements. With much of the content being mapped across from apprenticeship standards, this further emphasises the need to make the approval and revision processes smoother.

Make the grading system portable for learners and clear to employers

44. The current technical qualification grading system can be hard to understand for both employers and learners, so the proposal for separate component grades requires careful consideration.

45. Any new system will need to have currency with both young people and employers so that T-levels are respected as a gold-standard qualification. As a first step, the Department should create clear benchmarks for how the new grades will relate to academic qualifications. For example, there would need to be clarity on how three Bs at A-level compare to the various component grades which a learner would receive as part of their T-level. Also, if UCAS points continue to be used for access to Higher Education, then points will need to apply to T-levels.

T-levels must be coherent with the wider education and skills system to ensure the right outcomes for all learners, businesses and the economy

46. With all education and skills policy in England now under the Department's control, there is a real opportunity to build an employer-responsive system where the different parts interact effectively. It is important that these new technical routes are woven into the wider education system from the start, to ensure they are respected and that they deliver the same quality of learning as A-Levels. T-levels should act as a flexible pathway at 16 that sets learners up with clear progression routes to further study, an apprenticeship, or employment. For this to happen, we must:

Create a flexible transition period to support underachieving learners to progress onto technical and academic routes

47. There will be a significant cohort of young people who will not be ready to take on the rigours of studying for Level 3 qualifications immediately after their GCSEs. Many of these individuals will need to be supported to complete Level 2 qualifications that they may not have yet achieved.

48. The Government's proposal for a 'Transition Year' is a good starting point which is consistent with the recommendations of the Sainsbury Review. This support will be critical in supporting those young people furthest from the labour market. However, for T-levels to be aspirational 'A-level equivalent' qualifications – and not an 'easy' option - it is vital that targeted support given to individuals progressing into technical routes is as rigorous as that given to those following the academic route. The Department should develop well-funded, flexible and tailored transition provision that supports progression onto both T-levels and A-levels.

Establish clear links to apprenticeships through funding as well as content

49. The CBI recognises that T-levels will be distinct from apprenticeships as a predominantly classroom-based technical study programme. But this is not clear to all employers, many of whom have asked how T-levels will differ from apprenticeships, and how the placement element will be different. The Department must make clear the relationship between T-level pathways and apprenticeships to all employers.

50. Firms support the Department's proposed approach where T-level content will be developed in conjunction with the standards, as this will aid progression for individuals onto apprenticeships, particularly those at Level 4 and above. But while aligning content is important, there is more that could be done to strengthen the links between the two systems.

51. Given this, the proposals for a single awarding body to deliver each T-level qualification require serious further consideration. As more T-levels qualifications are developed, there is likely to be a decrease in Level 3 apprenticeships offered by providers. In time, apprenticeship qualifications at this level are also likely to move to a single awarding organisation model. Having only one organisation deliver qualifications for each subject introduces a single point of market failure, meaning that if the organisation fails to deliver its qualifications on time, and to the required standard, there is no backup option. Capacity in other organisations within a particular sector could also diminish over time, resulting in reliance on a single organisation and raising barriers to entry with regard to future tenders.

Develop flexible pathways between T-levels and higher technical and academic routes

52. The Department is right to explore how individuals can be supported to progress from T-levels to higher-level technical and academic provision. Changes in occupational structure mean that by 2024 almost half of all jobs will require workers to have completed some form of higher education (level 4 and higher, though not necessarily at level 6).¹³

53. The government's backing for the expansion of higher and degree apprenticeships route is part of the solution, but there is more to do to ensure levels 4 and 5 vocational skills are developed on the scale needed by businesses, and in flexible forms, that open up progression ladders for individuals. T-levels must open-up viable pathways for individuals, including degrees, Higher National Certificates (HNC) and Higher National Diplomas (HND) in both colleges and universities. As part of the level 4/5 review, Government should set out in detail the appropriate bridging provision so that T-level students can be properly supported to progress onto each of these routes. The CBI looks forward to engaging with this review.

**People and skills
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¹³ UKCES, *Working futures 2014-2024: evidence report*, April 2016