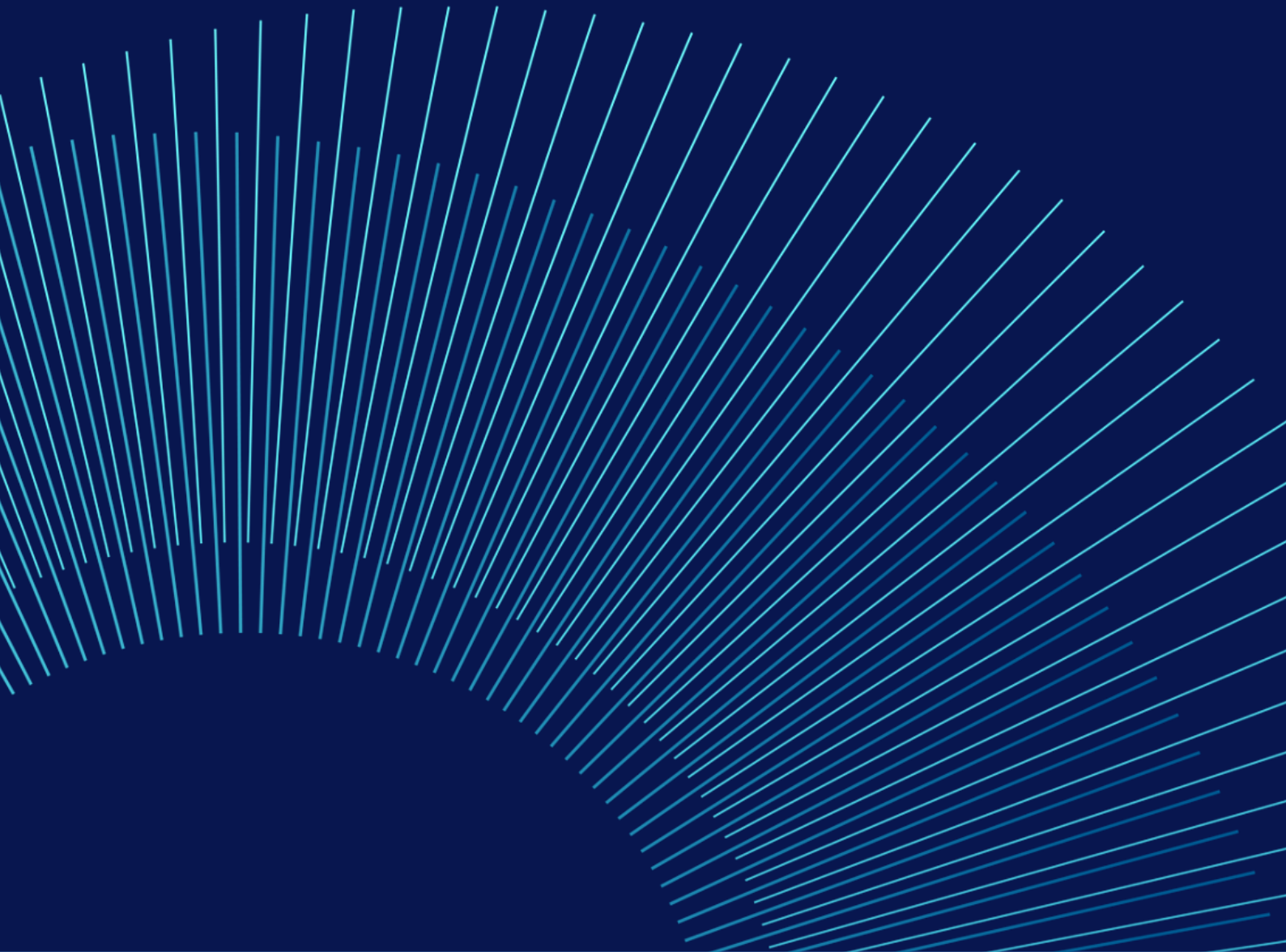


Delivering Skills for Growth



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Foreword – Rt Hon Gordon Brown, former Prime Minister of the United Kingdom

The new Labour government has rightly identified growth as its number one priority. As Sir Keir Starmer and Chancellor Rachel Reeves have said, it is only through a home-grown economic revival that Britain will be able to pay its way in the world.

Central to this task is a core challenge: enacting a revolution in the way the Government gives people the skills and training to work productively in the growth sectors of the future.

To put it another way, if the challenge 25 years ago was summed up as ‘education, education, education’, today it is ‘skills, skills, skills’.

The good news is that the biggest increase in productivity in our lifetimes is within reach and can be achieved through Britain exploiting the three great new technological breakthroughs of our times – first in AI, with quantum computing to come, second in biology and health care, including precision medicine, and third in new sources of energy.

But Britain cannot realise the potential of these transformative changes without a skilled workforce, which is essential if we are to turn world-beating innovation into internationally competitive products and services.

That’s why I have no doubt that one of the first items on the agenda of the new Mission Board for Growth, created by the Prime Minister, is a new policy to tackle skill shortages. I don’t doubt either that the Chancellor and the Prime Minister will want the October budget to set in place the revolution we need in post-16 technical qualifications, moving training from the sidelines under the Conservatives to centre stage under Labour.

The best and ready-made starting point is to boost the rollout of T-levels, one of the few genuinely successful new ideas and initiatives of the last decade following the path-breaking report by former science and innovation Minister, Lord Sainsbury.



He found that in training, unlike in education with GCSEs and A-levels, and unlike our major competitor countries, there was no national set of standards. He showed that the variety of post-16 providers of training were offering a huge array of courses but of varying and sometimes dubious quality, creating a veritable 'wild west' in which young people, colleges, and employers were all too often bewildered and confused by the sheer number of competing courses and qualifications.

The T-levels he proposed are two-year technical courses developed in partnership with businesses that can be studied by 16-18-year-olds after finishing their GCSEs.

Such is the potential of the T-levels that when the first 1,000 students recently completed this qualification, the results were outstanding. 40% have gone on to work in full-time jobs, 13% have decided to pursue apprenticeships, and 44% have decided to continue their studies at university.

Yet T-levels are probably the best-kept secret in the education world. Even now, two-thirds of businesses say they are not aware of T-levels. This is partly because, having adopted the T-levels, the last government decided they wanted to abolish them under ill-conceived plans for a so-called Advanced British Standard. But what is encouraging is that 65% of those very same businesses who are unaware of T-levels say they would offer a 9-week industry placement to a T-level student if the course was relevant to their workplace.

T-levels have the potential to create a new skilled workforce for the next three-quarters of our century with the promise of good pay in the very sectors of the economy where we are experiencing key shortages and in the industries of the future.

In the very areas where innovation can do most to boost growth, T-levels can make a real difference. Take the energy transition, where an estimated 400,000 roles will need to be filled by 2050 to build the Net Zero Energy Workforce required. A T-level in Building Services Engineering for Construction will train thousands of heat pump engineers to retrofit people's homes, vital to our decarbonisation plans.

But also take the struggling social care and health sectors, with their chronic skills shortages, such as the 2,500 extra midwives needed right now. There are already young people in the midwifery workforce who were some of the very first T-level

students. Add to that a T-level in Healthcare Sciences that will provide a new wave of homegrown paramedics and paediatric nurses.

One of the key obstacles to the accelerated rollout of T-levels is the way technical education has been administered in this country until recently. Low-quality technical courses might be cheap to teach and easy to pass, but they suppress talent rather than release it, and the reality is that employers don't really value such courses when taking on new workers.

A current fear is that those with a vested interest in marketing and selling their own lower quality courses will attempt to pull the wool over Parliamentarians' eyes and argue that Labour should pause and review the technical education system yet again. These calls should be ignored. It would be calamitous and costly to slow the rollout of T-levels or pause the changeover of funding from lower quality to higher quality qualifications. Delay would set the economy back at a time when we desperately need skilled labour now. It would hamper our growth prospects by bequeathing us an inadequately trained workforce for a decade to come. And, most importantly, it would deprive young people of the opportunities to realise their potential in the labour market, with more job security and higher incomes than they have currently.

Under our new government, Britain has the chance to finally solve an age-old problem that has held back our country for years: to create a homegrown, highly skilled, productive workforce made up of technically qualified young professionals able to contribute to our country's economic growth.

In the 1960s, Harold Wilson talked of the white heat of technology producing the scientific revolution. For the last few decades, we have been living with the quiet hum of the computer revolution. Now, the technical education revolution is waiting to be unleashed. The country that must benefit this time is Britain. And the time to start - in alignment with the Government's growth mission - is now.

Executive Summary

The UK needs bold solutions to the economic challenges left by the last Conservative Government. Stagnant productivity and wages over the past 15 years have worsened inequality and increased child poverty. There are skills shortages facing businesses across key areas of the economy. Addressing the productivity gap, 20% of which is due to lower skill levels, is crucial to Labour's national mission of sustained economic growth across the country.

We recommend that the Labour Government:

1. Keep going with existing reforms and accelerate the roll-out of T-levels: T-levels can help address urgent skills shortages in sectors such as childcare. A “pause and review” would take T-levels backwards and create enormous uncertainty for students, employers and education providers. The Government should set a target of 100,000 T-level enrolments per year by the end of the current Parliament.

2. Improve access to T-levels: The Government should enable better support for the T-level Foundation Year programme and accelerate reforms to review Level 2 qualifications against national standards. That would improve student support for those not yet ready for T-levels and ensure every Level 2 programme delivers positive outcomes for learners, whether access to skilled employment or progression to Level 3.

3. Strengthen awareness of T-levels: The Government should prioritise raising public and employer awareness and understanding of T-levels through targeted communications campaigns and engagement with stakeholders.

4. Complete the roll-out of national standards to all post-16 qualifications: The Government should commit to ensuring that, by the end of the current Parliament, the content of every post-16 qualification funded by the taxpayer meets national standards.

The post-16 education system is incoherent and confusing, with over 12,000 vocational qualifications from over 150 awarding bodies. The 2016 Sainsbury Review called for a fundamental shift in technical education to solve the skills crisis. The current post-16 qualification reforms aim to weed out low-quality qualifications and reduce overlap. Labour should be empowering students, parents, and

employers with a transparent system of post-16 qualifications – underpinned by data and easy to navigate.

The failures in post-16 technical education have created a critical skills gap. In 2022, 36% of all vacancies were due to skills shortages, up from 16% in 2011. Aligning UK skills with OECD best practices could boost productivity by 5%. By 2030, the UK may face a shortfall of 1 million engineers. To deliver its Industrial Strategy ambitions and the workforce needed for its missions, Labour needs to urgently address skills for growth. Skills shortages are already forcing businesses to reduce activities and cut long term growth plans, costing the economy up to £39 billion every year.

The UK is an international outlier in higher technical education. Only 7% of adults hold a Level 4 or 5 qualification (a higher-level technical qualification), much lower than Germany (20%), France (21%), or the USA (27%). This gap in intermediate technical skills has led to 40% of workers being in jobs they are not properly qualified for.

T-levels are high-quality, two-year technical qualifications designed with employers to meet industry needs. Unlike BTECs and other vocational qualifications, T-levels have a clear framework of standards, just like A-levels and GCSEs. They provide a clear path to employment, further technical training, or higher education, aligned with international best practices and national standards. T-levels are longer than the BTECs and other qualifications they will replace. For instance, while a large BTEC in engineering includes 1,080 teaching hours, the corresponding T-level has 1,360 teaching hours and a 315-hour (45-day) industrial placement. This additional time allows T-level students to develop a much greater breadth and depth of knowledge and skills compared to BTEC students.

T-levels are already producing strong outcomes. Almost all T-level completers move on to employment, apprenticeships, or university degrees. Unlike BTECs, which offer limited industry experience, T-levels include a nine-week industry placement with clear objectives directly tied to classroom learning. This comprehensive approach ensures students gain relevant and practical skills. Many T-level graduates secure employment with their placement organisations, demonstrating the programme's effectiveness in connecting education with industry needs.

Stability in policy is crucial. The previous administration failed to fix a poor roll-out and a timid approach to T-levels. A pause in current reforms would be a significant step backwards. Instead, the Government should pursue a fairer, more transparent and more accountable post-16 skills system. That focus needs to start with a long-term skills strategy centred on quality, opportunity and value.

T-levels can help address critical skills shortages

HEALTH AND SOCIAL CARE

- Despite nearly 30,000 students in health-related vocational training, these qualifications aren't meeting job market needs.
- There are **121,000 full-time vacancies in the NHS**, and **152,000 vacancies in adult social care** in England.
- In 2022/23, adult social care contributed almost **£56 billion**, and healthcare approximately **£282 billion** to the economy.
- Over **2,800 students** enrolled in the Health and Science T-level in 2023/24.



CHILDCARE

- Vocational qualifications aren't filling the significant childcare worker shortages.
- England faces over 19,600 vacancies for childcare practitioners, 37,300 for childcare assistants, 14,500 for childminders and 3,300 for playworkers.
- The childcare sector is vital to the economy, contributing **£4 billion** in 2022.
- The T-level in Education and Early Years will help reduce these vacancies. Around **3,400 students** were enrolled in 2023/24.



CONSTRUCTION

- There were **39,000 vacancies** in construction in 2024.
- In 2023, the construction industry contributed almost **£109 billion** to the UK economy.
- A range of T-levels offered in construction since 2021. In 2023/24, nearly **2,500 students** enrolled.



ENGINEERING

- The engineering sector has seen a concerning decline in applicants (44.1%).
- The UK is an engineering powerhouse with the industry generating almost **£650 billion** to the economy each year – equating to **32% of the country's economic output**.
- There are three routes for learners wishing to study Engineering and Manufacturing T-level. There were almost **2,500 new learners** in 2023/24.



GREEN ECONOMY

- 7 out of 18 sectors have seen a proportional increase in their demand for green skills.
- The sector is responsible for production of **£74 billion** in goods and services and **765,000 jobs**.
- The Agriculture, Land Management and Production T-level was introduced in 2023.
- For existing T-levels, the **climate change and environmental content will increase** inline with occupational standards on which they are based, expanding the content to cover some aspects of energy and sustainability.



DIGITAL, INFORMATION AND COMMUNICATIONS

- **41,000 job vacancies** in March-May 2024.
- In 2022, the digital sector contributed **£158 billion** to the economy.
- Nearly **2,400 students** started studying the T-level in digital in 2023/24.



Labour's national mission is economic growth

"We haven't got the skills we need in this country...we need a skills strategy to ensure...the workforce is available for the jobs that we need doing...", Keir Starmer, Question Time Leaders' Special, 20 June 2024.

The UK has suffered stagnant economic growth since the financial crisis, with no significant growth over the past two years.¹ 15 years of economic failure and poor performance have left the UK with both flatlining productivity and real wages. Inequality is rising, as young people and working families shoulder the brunt of a no growth economy, at a cost to the average worker of £10,700 per year in lost wages.² Worse still, child poverty is now rising in both relative and absolute terms.³

Labour has made sustained economic growth, delivered in every part of the UK, its national mission. Achieving that, against the backdrop of stagnant growth, will need a clear focus on improving UK productivity. It is improving productivity that links economic growth and improving living standards.

However, the UK has a longstanding productivity problem, consistently falling behind over the last 15 years when compared to other international economies. UK productivity levels are around 23% lower than in France and the USA, and 26% lower than in Germany.⁴ This productivity gap is holding our economy back, and importantly 20% of this gap is due to lower skill levels.⁵ By 18, almost one-third of young people are not in education or training, 50% more than in France and Germany.⁶

¹ National Institute of Economic and Social Research (2023). Economic priorities for the 2024 general election. <https://www.niesr.ac.uk/publications/economic-priorities-2024-general-election>

² Resolution Foundation & Centre for Economic Performance, LSE (2023). Ending Stagnation: A New Economic Strategy for Britain, p. 7.

³ Child Poverty Action Group (2024), 'Child poverty reaches record high – failure to tackle it will be 'a betrayal of Britain's children' <https://cpag.org.uk/news/child-poverty-reaches-record-high-failure-tackle-it-will-be-betrayal-britains-children>

⁴ ONS (2018). International comparisons of UK productivity, final estimates 2016.

⁵ Leitch, S. (2006). Leitch Review of Skills. Retrieved from <https://assets.publishing.service.gov.uk/media/5a7c9607ed915d12ab4bbc4e/0118404865.pdf>

⁶ Resolution Foundation (2023). Applying the Robbins Principle to Further Education and Apprenticeships, p. 6.

Before the general election, Labour set out its ambitions for an industrial strategy built on four strategic priority “pillars”. At the same time, it acknowledged acute awareness that there are “skills shortages facing businesses across our pillars”.⁷

This report argues that the Government’s skills agenda is crucial to achieving not only economic growth but also the workforce needed for its public services ambitions.

We recommend that the Labour Government embed existing post-16 education reforms within its industrial and skills strategies, and properly embrace a real technical skills revolution. This would unlock a skills agenda which is able to meet the challenge of economic growth and deliver Labour’s missions.

⁷ Labour Party (2023), Prosperity through partnership: Labour’s Industrial Strategy, page 20.

The need for systemic change

For those not pursuing A-levels, the UK's current post-16 education system can feel incoherent, untransparent, and confusing. Yet the case for reform was made almost a decade ago. The 2016 Sainsbury Review recommended a fundamental shift to solve our skills crisis and systematically reform technical education for the long term. However, the previous Government failed to follow through, creating announcements but not achieving a shift in outcomes.

Successful international skills systems have three things consistently in common: simplicity of choice, national standards, and stability. The UK is an outlier, offering thousands of different post-16 qualifications, awarded by an ever-increasing number of awarding bodies, and largely absent of any national standards.

The aim of the previous government's reforms, announced in 2019, was to ensure that all publicly funded qualifications for 16–19-year-olds were “necessary, high-quality, and have a clear purpose”.⁸ Achieving that aim is still important. In 2022/23, £7.2 billion was allocated to nearly 2,800 providers in England for 16–19 education.⁹ Given the nation's need for a high-quality, highly skilled domestic workforce, this funding should be viewed as an investment. As such, public funding should be focused on quality qualifications able to deliver that need and provide value for money for taxpayers.

The scale of choice for school leavers not pursuing A-levels is overwhelming. There are currently almost 12,000 vocational qualifications – which often overlap – offered by over 150 awarding bodies, including more than 3,000 at Level 3.

Although students want choice, they care more about the opportunities that their qualifications provide post-completion.¹⁰ They, their parents, and their future employers are putting their faith in the idea that the qualifications being offered to them are the best preparation for fulfilling and productive futures. Not all current post-16 qualifications can provide that confidence until the current reforms are complete.

⁸ Hansard, Written Question, 184341, 10 May 2023, <https://questions-statements.parliament.uk/written-questions/detail/2023-05-10/184341>

⁹ Department for Education (2023), “16 to 19 allocation data: 2022 to 2023 academic year”.

¹⁰ Ofqual (2017), “Perceptions of subject difficulty and subject choices,” https://assets.publishing.service.gov.uk/media/5a81f60d40f0b62305b91bbb/Perceptions_of_subject_difficulty_and_subject_choices.pdf

In contrast to GCSEs and the academic route of A-levels, which allows students and parents to compare qualifications and their providers, comparing vocational qualifications is incredibly difficult. Even basic general information about these courses can be hard to find. Transparency is not a feature of the post-16 education system, yet it should be.

Labour should build on the ideas in its Industrial Strategy in Government and enable a transparent and easy to navigate system of post-16 qualifications, underpinned by data. The Government should see through to completion the current set of reforms and focus on how public funding can incentivise the system towards the provision of valuable, high-quality qualifications. It will require bold decisions. The current incentives encourage lower-cost, higher-volume, and easier-to-pass qualifications.

Sector-specific skills shortages and future demands

We need to align individual choices in education and the national demand for skills. To achieve the ambitions outlined in the industrial strategy - covering the four core pillars of the UK's economy ('sovereign capabilities', 'global champions', 'future successes', and the 'everyday economy') - the Labour Government needs to urgently address the skills required for growth.

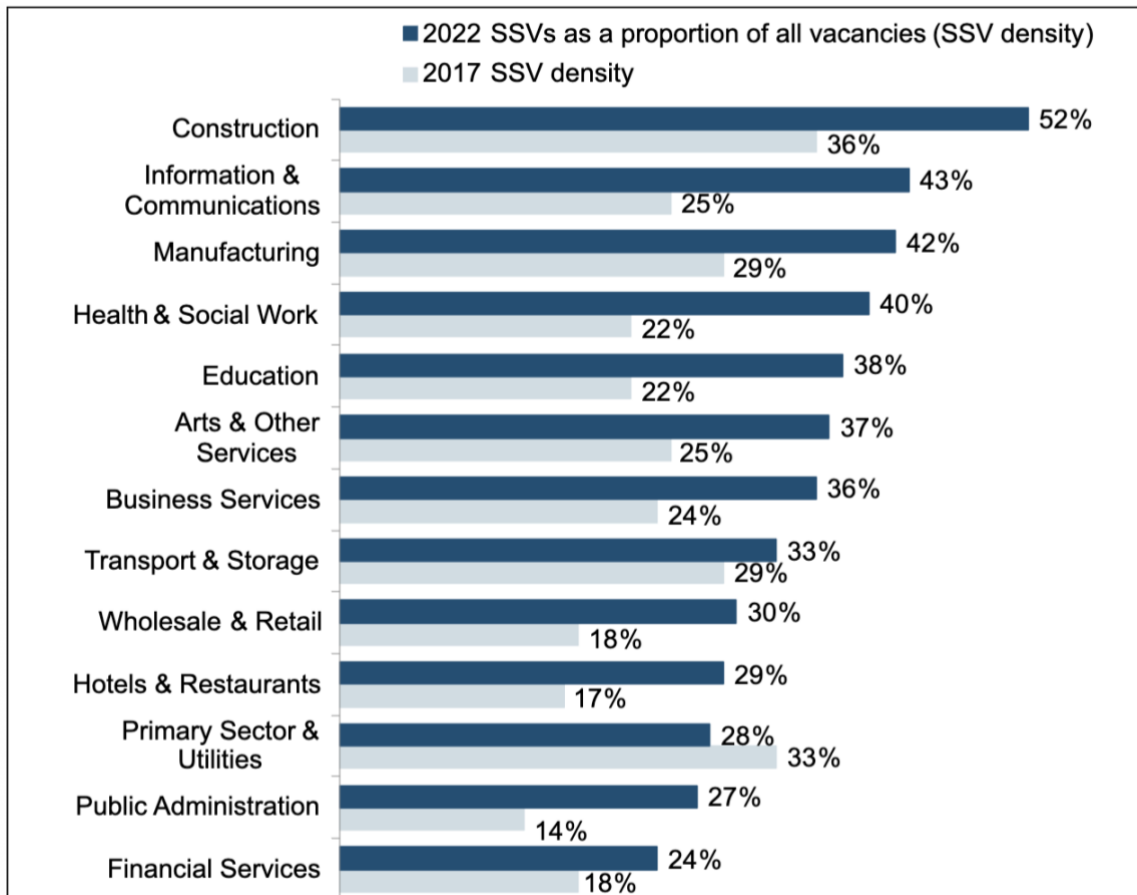
The UK faces the biggest skills shortages, in terms of numbers, in health and social work.¹¹ Yet significant skill shortages also exist in the Construction, ICT and Manufacturing sectors (52%, 43%, and 42% skills shortage vacancies, respectively). Forecasts show a greater demand for higher-level technical and specialist skills, but a likely UK shortfall of 1 million engineers by 2030.¹² There are also acute shortages of post-16, pre-degree level, technically skilled people in STEM disciplines for the UK's aerospace, digital, biotech, net-zero, engineering, and manufacturing industries.¹³

¹¹ Department for Education (2023), "Employer Skills Survey 2022," <https://explore-education-statistics.service.gov.uk/find-statistics/employer-skills-survey/2022>

¹² Society of Operations Engineers (2023), news story, "UK faces shortfall of 1 million engineers by 2030," <https://www.soe.org.uk/resources/uk-faces-shortfall-of-1-million-engineers-by-2030.html>

¹³ National Audit Office (2018), "Delivering STEM skills for the economy," <https://www.nao.org.uk/report/delivering-stem-skills-for-the-economy/>

Figure 1: Skills-specific vacancies by industry.¹⁴



More than one third (36%) of all vacancies in 2022 were skill-shortage vacancies, a significant jump from 16% in 2011.¹⁵ Improving skills matching in the UK to the level of OECD best practice could boost overall national productivity by 5%.¹⁶

Without clear and committed action, we will face a workforce gap in key areas, hindering exactly the economic growth we are aiming for. Companies overwhelmingly know they face a skills shortage.¹⁷ Rather than competing for growth, businesses are adapting to the lack of available skills by reducing activities

¹⁴ ONS (2022), "Employer Skills Survey Research Report." Base: 2022 range: Public Admin. 244 to Wholesale & Retail 4,211 (all establishments with vacancies). https://assets.publishing.service.gov.uk/media/65855506fc07f3000d8d46bd/Employer_skills_survey_2022_research_report.pdf

¹⁵ ONS (2022), Employer Skills Survey. <https://www.gov.uk/government/statistics/employer-skills-survey-2022>

¹⁶ McGowan, M., & Andrews, D. (2015). Labour Market Mismatch and Labour Productivity. OECD.

¹⁷ CBI (2023), CBI Education and Skills Survey 2022. <https://www.cbi.org.uk/articles/skills-creating-the-conditions-for-investment-cbi-education-and-skills-survey-2022/>

(42%) and cutting long term growth plans (40%).¹⁸ The estimated cost of skills shortages could be as high as £39 billion annually to 2027.¹⁹

Our renewed economic growth depends on creating a workforce that can deliver both the jobs of the future and the public services we need now. Labour's manifesto set out plans for increases in highly skilled workforces across education, childcare, healthcare, policing, and the green economy.²⁰ The success of these plans will heavily depend on the ability to develop a homegrown, highly skilled workforce. That means getting more young people into highly skilled, high-quality, post-16 qualifications and en route to those jobs.

Labour's plans across subdivisions

- Education: recruiting 6,500 new expert teachers in key subject areas.
- Childcare: recruiting trained staff needed to deliver 3,000 new primary school-based nurseries.
- Healthcare: recruiting 8,500 new mental health staff and new dentists where needed across the country.
- Green prosperity: creating 650,000 new jobs by 2030.

A planned programme of reforms

Alongside investment, Labour is committed to bringing forward a comprehensive strategy for post-16 education. Across Labour's missions to kick start economic growth and break down barriers to opportunity, are planned reforms to get more young people into high-quality skills qualifications:

- Establishing a youth guarantee of access to training, an apprenticeship, or support to find work – aimed at tackling the challenge of one in eight young people not in education, employment or training.
- Establishing Skills England, bringing together business, training providers and unions, with national and local government.
- Turning some Further Education colleges into specialist Technical Excellence Colleges, bringing together businesses, trade unions and local government to deliver highly trained workforces in local economies.

¹⁸ The Open University (2023), "Business Barometer 2023," <https://www5.open.ac.uk/business/barometer-2023>

¹⁹ The Edge Foundation (2022), "Skills Shortages Bulletin 11," <https://www.edge.co.uk/documents/330/DD0878 - Skills Shortages Bulletin 11 DIGITAL.pdf>

²⁰ The Labour Party (2024), Change – Labour Party Manifesto 2024.

- Creating a flexible Growth and Skills Levy, targeted at eligible courses to ensure that qualifications offer value for money.

Preparing, delivering and embedding these reforms, will take time. This further underlines the need for the Labour Government to hit the ground running and attack this agenda at pace by building on the already in-train reforms.

A focus on technical skills

Our economic competitors recognise the importance of investing in intermediate level technical skills qualifications (in the UK these are classified as Levels 3, 4, and 5 qualifications) to boost productivity.²¹ Unfortunately, the UK is an international outlier in the provision of higher technical education. Just 7% of adults hold a higher-level technical qualification (or a Level 4 or 5 qualification) as their highest qualification. This is one of the lowest proportions in the OECD, significantly lower than Germany (20%), France (21%), or the USA (27%).²²

Although the UK does comparatively well, internationally, in producing university graduates, our skills system is heavily skewed towards lower and higher levels, and the vital middle has been ‘hollowed out’. As a result, four in ten UK workers are engaged in jobs for which they are not properly qualified.²³

The failure to properly grip the need for a robust UK system of post-16 technical education means that we face a chronic shortage of people with the essential technical skills that employers need.

The role of T-levels

To tackle this challenge, T-levels were introduced in England. T-levels are a relatively new two-year, high-quality technical qualification designed with employers to meet the skills needs of industry. Courses are 80% classroom-based but, importantly, include an industry placement to complete the remaining 20%.

Instead of employers navigating thousands of different qualifications, T-levels ensure young people learn content relevant to specific career routes. The courses include a broad core base of knowledge and skills, as well as an opportunity to develop more specialist skills. Moreover, the integrated nine-week industry placements build practical experience, helping employers support young people to develop technical and essential skills in the workplace.

²¹ Level 3 qualifications include A-levels, AS Levels and T-levels; Level 4 qualifications include higher apprenticeships, higher national certificates (HNC) and level 4 NVQ; Level 5 qualifications include higher national diplomas and foundation degrees.

²² OECD (2014). Skills Beyond School: Synthesis Report.

²³ OECD (2017). Getting Skills Right: United Kingdom. <https://www.oecd.org/unitedkingdom/getting-skills-right-united-kingdom-9789264280489-en.html> [Figures for 2015].

Clear career routes for students

A clear benefit of T-levels is that they provide students with a clear path to either employment, further technical training, or higher education.

The Institute for Apprenticeships and Technical Education has mapped the current set of T-level courses against the 15 different occupational routes which also underpin national apprenticeship standards.²⁴ These routes draw a clear link from T-levels to jobs, careers and higher education degrees, providing students with a wealth of information to expand their choices and grow their aspirations.

Students can explore the average salaries for jobs linked to their T-level, and even an indication of the impact on net-zero that these occupations can have.

Ajrienne Kolapo, Digital Production, Design and Development T-level, La Retraite “I’m going to do a Level 4 apprenticeship at Lloyds Banking Group in Bristol as a business analyst. Being able to learn and put my knowledge into practice at the same time has always intrigued me. My placement at Royal Trinity Hospice enabled me to showcase my creative side with content creation and my placement at Lloyds Banking Group helped me network and build a solid foundation of the vast range of job roles in the tech industry of a financial services company.”

Holly Old, Healthcare Science T-level, Hugh Baird College: “I’m incredibly excited to be one of the first ever students to take a T Level course at Hugh Baird College. I have thoroughly enjoyed the first year of my course and my industry placement at the Histopathology Laboratory really reinforced my passion for working in the health sector. I’m looking forward to my next steps where I am planning to go to Edge Hill University and study the Paramedic and Nursing dual degree. I would love to be either a Paramedic or a Paediatric Nurse. I’m really excited to see what happens!”

Employer led national standards

Unlike other post-16 qualifications, T-levels have been designed so they deliver the knowledge and skills employers want. This is driven by high-quality, rigorous employer-led standards, ensuring consistency and excellence.

To achieve this, T-levels are longer than the BTECs and other qualifications they will replace. For instance, while a large BTEC in engineering includes 1,080 teaching hours, the corresponding T-level has 1,360 teaching hours plus a 315-hour (45-day)

²⁴ Institute for Apprenticeships & Technical Education. Occupational Maps. <https://occupational-maps.instituteforapprenticeships.org/>

industrial placement. This additional time allows T-level students to develop a much greater breadth and depth of knowledge and skills compared to BTEC students.

T-levels are aligned with international best practices and adhere to rigorous national standards. With Employers in the driving seat, setting the national framework of standards for apprenticeships and T-levels. This is in stark contrast to current qualifications that have not yet been through the rigorous approvals process of the current, ongoing qualifications reforms.

Understandably employers are increasingly valuing T-levels. Lloyds Bank expanded its intake from 6 T-level placements in 2021/22 to 120 two years later, mainly in the digital field. They are also offering a fast-track route for T-level students to progress to the final assessment stage of its prestigious apprenticeship programme.

John Banks, T-level manager, Lloyds Banking Group:

I am probably the number one fan of T-levels. It's been great to start our journey and see our young people come through from successful placements into job offers and now we're realising the talent as people start to undertake their apprenticeship roles. What I would say to all the businesses thinking of undertaking T-level placements is absolutely give it a go. It has given us another route into early talent access.

We've seen such quality in the students that we've gained, we've had great relationships with the college and being a relative early adopter of T-level placements, we're now in the position where we're seeing that time invested in supporting the students through their placements, through to a job offer and now having our future talent on apprenticeship programmes.

It is the combination of clear career routes for students, rigorous employer-led national standards and practical skills gained through industry placements that make T-levels so attractive to both students and employers.

Even more so, they provide the high-quality, technical qualifications needed to fill the skills gaps in vital sectors that the UK desperately needs to fill, such as health and social care, construction and childcare.

T-levels uptake and outcomes

Just over 1,000 students formed the inaugural cohort studying the first three T-levels when they were introduced in 2020. Since then, student numbers have almost doubled each year, with the 2024 cohort projected at around 30,000. The number of T-levels has also increased to 18 subjects, covering a wide range of subjects. A further three are due to launch this September and a further two planned for September 2025. The number of colleges and schools delivering T-levels has also grown. 367 providers across England are now registered to deliver T-levels in 2024/25.²⁵

Figure 2: Uptake of T levels

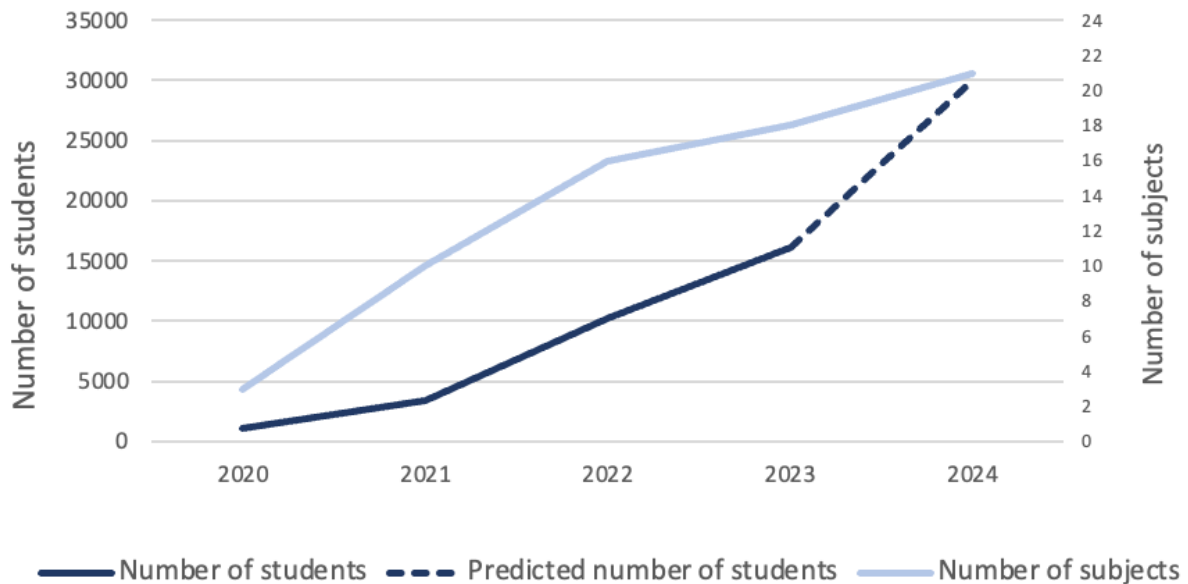


Figure 3: Regional spread of T-level providers

East Midlands	26	South East	54
East of England	36	South West	33
London	59	West Midlands	47
North East	21	Yorkshire & The Humber	38
North West	53	Total	367

²⁵ Department for Education. (2024). Providers selected to deliver T Levels.

<https://www.gov.uk/government/publications/providers-selected-to-deliver-t-levels>

Figure 4: T-level subjects

Date available	Route	T-level
September 2020	Digital	<ul style="list-style-type: none"> ● Digital Production, Design, and Development
	Education and Early Years	<ul style="list-style-type: none"> ● Education and Early Years
	Construction and the Built Environment	<ul style="list-style-type: none"> ● Design, Surveying, and Planning for Construction
September 2021	Digital	<ul style="list-style-type: none"> ● Digital Support Services ● Digital Business Services
	Construction and the Built Environment	<ul style="list-style-type: none"> ● Onsite Construction ● Building Services Engineering for Construction
	Health and Science	<ul style="list-style-type: none"> ● Health ● Healthcare Science ● Science
September 2022	Business and Administration	<ul style="list-style-type: none"> ● Management and Administration
	Legal, Finance, and Accounting	<ul style="list-style-type: none"> ● Finance ● Accounting
	Engineering and Manufacturing	<ul style="list-style-type: none"> ● Design and Development for Engineering and Manufacturing ● Maintenance, Installation, and Repair for Engineering and Manufacturing ● Engineering, Manufacturing, Processing and Control
September 2023	Agriculture, Environmental, and Animal Care	<ul style="list-style-type: none"> ● Agriculture, Land Management, and Production
	Legal, Finance and Accounting	<ul style="list-style-type: none"> ● Legal Services
September 2024	Creative and Design	<ul style="list-style-type: none"> ● Craft and Design ● Media, Broadcast, and Production
	Agricultural, Environmental and Animal Care	<ul style="list-style-type: none"> ● Animal Care and Management
September 2025	Sales, Marketing and Procurement	<ul style="list-style-type: none"> ● Sales, Marketing and Procurement
	Catering and Hospitality	<ul style="list-style-type: none"> ● Catering

Importantly, those completing T-levels are achieving successful outcomes. Almost all the first cohort of T-level completers progressed to education or employment. The most common destinations were a university degree (44%), paid work (40%), or an apprenticeship (13%). In addition, over a quarter of T-level completers in paid work or an apprenticeship reported working for the organisation that provided their T-level industry placement.²⁶

The students who take T-levels value them. About four-fifths of T-level completers agreed it had allowed them to progress to what they want to do, and prepared them for their current study, the workplace, and their future career.²⁷

²⁶ NatCen Social Research. Technical Education Study: Progression of the first T Level cohort. <https://natcen.ac.uk/publications/tech-ed-study-progression-first-t-level-cohort>

²⁷ *ibid.*

Phased reforms to post-16 qualifications

As part of the introduction of T-levels, the Department for Education (DfE) set out its phased and gradual plans to create “clearly defined academic and technical routes” for post-16 progression sitting alongside apprenticeships.²⁸

Phase 1 (completed in 2022) looked at removing public funding for qualifications with low or no enrolments. This saw DfE remove funding from 5,500 qualifications.

Phase 2 is the removal of funding for qualifications that overlap with T-levels, planned over three stages. In order to give schools and colleges time to prepare, funding removal does not take place until at least a year after each T-level has been introduced.

- In May 2022, the DfE put forward 134 qualifications whose content overlaps with the 10 T-levels introduced in 2020 and 2021. Funding for new starts on these qualifications will be removed from 1 August 2024.
- In May 2023, a further 85 qualifications were identified as overlapping with the six T-levels introduced in 2022. Funding for these qualifications is due to be removed from August 2025.
- In January 2024, DfE published a provisional list of 71 qualifications overlapping with the five T-levels introduced in 2023 and 2024.²⁹ These qualifications are due to have their funding removed from August 2025.

A list of qualifications that overlap with T-levels being introduced in 2025 is still planned for next year, with funding to be removed from August 2026.

Phase 3 is the review against national standards of all other academic, vocational, or technical qualifications. The process is sequenced by subject area and work to approve Level 3, Level 2 and Level 1 and below qualifications is taking place in cycles to be manageable for awarding organisations and providers.

²⁸ Department for Education. (2024). Reforms to post-16 qualifications at level 3 in England. <https://www.gov.uk/government/publications/reforms-to-post-16-qualifications-at-level-3-in-england>

²⁹ Department for Education. (2024). Provisional list of qualifications that overlap with T Level wave 4. https://assets.publishing.service.gov.uk/media/65b8bba887e439000dce5ce6/Provisional_list_of_qualifications_that_overlap_with_T_Level_wave_4.ods

- Level 3 and Level 2: In May 2024, a list was published of Level 3 qualifications that will have funding removed from August 2025. A list of Level 2 qualifications was expected but was delayed due to the general election. Two further cycles of review will be completed for 2026 and 2027.
- Level 1 and below: Qualifications at Level 1 and Entry Levels are diverse, often designed to facilitate progression to a Level 2 qualification or a supported work-based pathway. These have yet to be reviewed, with funding scheduled to be removed from poor quality qualifications from 2027.

It is critically important that schools and colleges have a clear idea of what constitutes high-quality qualifications, whether T-levels or other qualifications, so that they incorporate them in their offer to young people. Not all courses will overlap with T-levels, and access to these courses should obviously continue.

However, removing public funding from unused and overlapping qualifications, would enable more resources to further grow the reach of high-quality qualifications. With sufficient funding from the DfE and increased awareness, schools and colleges could expand T-level enrolment to over 100,000 students annually by the end of this Parliament.

Given the urgency of its national economic mission and the crucial role in delivering the highly trained workforce needed to deliver Labour's missions, the Government should make the popular expansion of T-levels an early priority.

Lower attaining students

A key consideration should be students who find themselves not yet ready at 16 for T-levels. Currently this group is left with a choice of less rigorous, lower quality qualifications. 2022 estimates suggested that around 4% of 16-to-19-year-olds currently studying at Level 3 might not meet the new T-level standards.³⁰

Encouraging this group of students to abandon their aspirations for a technical education at 16 is a poor outcome. Students are faced with more than 3,000 Level 2 qualifications currently on offer, most of which are neither sought by employers nor enable progression to Level 3 programmes. This is particularly concerning given that many of these Level 2 students come from disadvantaged backgrounds, where access to valuable skills would improve their social mobility.

³⁰ Department for Education (2022), Revised Review of post-16 qualifications at level 3 in England: Impact assessment.

Some students who move straight to a low-quality Level 3 programme at 16 would be better served by a high-quality Level 2 programme, leading to skilled employment at 18, including through a Level 3 apprenticeship. Well-recognised Level 2 pathways already exist in several industries, such as construction, health, catering, and social care.

A better approach would be to improve the life chances and career options that come with Level 2 qualifications and give those who need it a runway to T-levels. The current post-16 reforms look to do exactly that.

Alongside T-levels, all Level 2 qualifications are being reviewed against employer-set national standards to ensure they deliver positive outcomes, whether skilled employment, progression to Level 3 courses or apprenticeships. This clear oversight guarantees that qualifications meet employer needs and support students. Any 16-year-old opting for a Level 2 programme should be confident that hard work will lead to a qualification with real value.

Similarly, recognising the rigour of T-levels, the T-level Foundation Programme was introduced as a flexible runway.³¹ This is a fully funded, one-year Level 2 programme that can be used flexibly by providers to prepare students to start a two-year T-level at age 17 (rather than 16). This reflects international best practice, where three-year upper-secondary programmes often sit alongside two-year programmes leading to the same outcome.

The Government should fast-track these reforms and support better access to the T-level Foundation Programme.

A stable skills policy environment

Part of the challenge facing employers and institutions has been the near-endless cycle of changing skills policies and half-delivered reforms. In other parts of the economy, we rightly value a stable policy environment, one which allows people to plan confidently for the future. One of the Government's ambitions in skills should be to maintain a stable skills policy environment.

Its first step should be to deliver certainty by committing to driving forward and complete the DfE programme of post-16 qualifications reforms. These reforms were

³¹ Previously referred to as the T-level Transition Programme.

first announced in 2016 and have been in train since 2020. Any further delay would only deliver enormous uncertainty at this point. Any pause for further review would not benefit students, employers, or education providers.

That will upset some powerful voices in the sector. However, as we have shown, the current market of publicly funded, high volume and easy to deliver qualifications is not delivering the skills or the opportunities that are needed.

This isn't an argument for uniformity in skills or reducing choice. In fact, the reforms include a diverse spread of approved qualifications sitting alongside T-levels, from BTEC branded options of various sizes at Levels 1, 2 and 3, to other new Alternative Academic Qualifications and Technical Occupational Qualifications, that address particular skills needs and requirements. This is about incentivising awarding bodies and education providers to refocus their courses on quality over quantity.

Similarly, arguments against the DfE's programme of reforms paint a picture of immediate chaos if the removal of access to public funding for 134 qualifications, announced in May 2022, happens in August this year as planned. That is 27 months of planning and adaptation for this one change. In contrast, a sudden abandonment of the reforms would scupper six years of planned, phased and gradual delivery, designed to give the system time to adapt and prepare.

Addressing past failures

In delivering these reforms, the Government does need to fix the problems the previous Conservative administration failed to address. Doing nothing in itself will not be sufficient. The introduction of T-levels has suffered from an unambitious and timid approach to awareness-raising.

Four years since their introduction, a significant proportion of businesses remain unaware of T-levels. This underpins the failure of the previous government's approach to T-levels: 65% of businesses have no awareness of T-levels or what they currently offer, but 65% of firms would look at offering an industry placement for a T-level student if the subject was relevant to their industry.³² This shows the significant gap in communication and promotion efforts.

³²CBI. (2023). Education and Skills Survey 2022, p. 28.

<https://www.cbi.org.uk/media/skznxy0q/education-and-skills-survey-2022.pdf>

In June 2023, a DfE survey showed only half of parents (47%) and pupils (50%) were aware of T-levels.³³ To ensure that all young people and their parents can make informed decisions about their next steps at age 16, it is essential to raise public awareness and understanding of T-levels.

In its recent review, Ofsted's first recommendation to the Government was to substantially raise public awareness and understanding of T-levels, as well as promoting them to employers and employer bodies.³⁴ This is unsurprising, given the potential impact T-levels could have on addressing the skills gap and improving the alignment between education and industry needs.

Delivering change

If the Government is serious about change and igniting reforms that will drive economic growth at pace, then it should look to accelerate the roll-out of T-levels. It should set the DfE a target of achieving at least 100,000 enrolments per year by the end of this Parliament. An ambitious target for technical qualifications with a significant industry placement would send a strong signal to industry alongside Labour's plan to fix the broken Apprenticeship Levy with a Growth and Skills Levy.

³³ Department for Education. (2023). T Level Action Plan 2023 to 2024. https://assets.publishing.service.gov.uk/media/6627c087d29479e036a7e68e/T_Level_Action_Plan_2023_to_2024.pdf

³⁴ Ofsted. (2023). T-level thematic review: final report. <https://www.gov.uk/government/publications/t-level-thematic-review-final-report/t-level-thematic-review-final-report#recommendations>

Conclusion

As with the UK's economic challenge, the UK needs to solve its post-16 skills problem and make up for lost time.

The Government will need to fix what the previous Conservative administration failed to address. The first step on that road needs to be stability. Labour has a real chance to build a coherent skills agenda and drive results for young people, employers, and education providers. Young people are tired of seeing the skills sector constantly shift beneath their feet when they just want to move forward.

The UK has a higher education system that delivers quality and competes on the world stage, recognised globally as a mark of excellence. Our technical education system must provide the same level of quality and opportunity for all students.

A fairer, more transparent and more accountable post-16 skills system can be achieved but requires a relentless focus from the Government. That focus needs to start with a long-term skills strategy centred on quality, opportunity and value. Delivering the national mission of economic growth will depend on the UK's ability to deliver the skills needed for growth.