



National Audit Office



REPORT

Investigation into introducing T Levels

Department for Education

SESSION 2024-25
28 MARCH 2025
HC 768



We are the UK's independent public spending watchdog.

We support Parliament in holding government to account and we help improve public services through our high-quality audits.

The National Audit Office (NAO) scrutinises public spending for Parliament and is independent of government and the civil service. We help Parliament hold government to account and we use our insights to help people who manage and govern public bodies improve public services.

The Comptroller and Auditor General (C&AG), Gareth Davies, is an Officer of the House of Commons and leads the NAO. We audit the financial accounts of departments and other public bodies. We also examine and report on the value for money of how public money has been spent.

In 2023, the NAO's work led to a positive financial impact through reduced costs, improved service delivery, or other benefits to citizens, of £1.59 billion. This represents around £17 for every pound of our net expenditure.



National Audit Office

Investigation into introducing T Levels

Department for Education

Report by the Comptroller and Auditor General

Ordered by the House of Commons
to be printed on 26 March 2025

This report has been prepared under Section 6 of the
National Audit Act 1983 for presentation to the House
of Commons in accordance with Section 9 of the Act

Gareth Davies
Comptroller and Auditor General
National Audit Office

21 March 2025

Investigations

We conduct investigations to establish the underlying facts in circumstances where concerns have been raised with us, or in response to intelligence that we have gathered through our wider work.

The material featured in this document is subject to National Audit Office (NAO) copyright. The material may be copied or reproduced for non-commercial purposes only, namely reproduction for research, private study or for limited internal circulation within an organisation for the purpose of review.

Copying for non-commercial purposes is subject to the material being accompanied by a sufficient acknowledgement, reproduced accurately, and not being used in a misleading context. To reproduce NAO copyright material for any other use, you must contact copyright@nao.org.uk. Please tell us who you are, the organisation you represent (if any) and how and why you wish to use our material. Please include your full contact details: name, address, telephone number and email.

Please note that the material featured in this document may not be reproduced for commercial gain without the NAO's express and direct permission and that the NAO reserves its right to pursue copyright infringement proceedings against individuals or companies who reproduce material for commercial gain without our permission.

Links to external websites were valid at the time of publication of this report. The National Audit Office is not responsible for the future validity of the links.

CORRECTION SLIP

Title: Investigation into introducing T Levels

Session: 2024-25

HC 768

ISBN: 978-1-78604-604-8

Ordered by the House of Commons to be printed 26 March 2025

Correction one:

An error involves the upper percentage increase from 148% to 149% across multiple sections for accuracy.

Key facts

Text currently reads:

37% reduction to 148% increase

Text should read:

37% reduction to 149% increase

Paragraph 16

Text currently reads:

Providers will pay higher fees across six contracts, with increases ranging from 26% to 148%.

Text should read:

Providers will pay higher fees across six contracts, with increases ranging from 26% to 149%.

Paragraph 3.12

Text currently reads:

Successful bidders across six procurements set their entry fees per student - which comprise 76% of estimated maximum contract values at tender stage - at higher rates than those awarding organisations charged from September 2024 in the equivalent first phase contracts, with fees increasing by between 26% and 148% (**Figure 12**).

Text should read:

Successful bidders across six procurements set their entry fees per student - which comprise 76% of estimated maximum contract values at tender stage - at higher rates than those awarding organisations charged from September 2024 in the equivalent first phase contracts, with fees increasing by between 26% and 149% (**Figure 12**).

Figure 12

Text currently reads:

Across contracts which IfATE has retendered, the fees payable by providers for students starting T Levels will decrease by between 18% and 37% across two contracts, and increase by between 26% and 148% across seven

Text should read:

Across contracts which IfATE has retendered, the fees payable by providers for students starting T Levels will decrease by between 18% and 37% across two contracts, and increase by between 26% and 149% across six

Correction two:

The highlighted box in Figure 2 should be labelled 'Ofqual'.

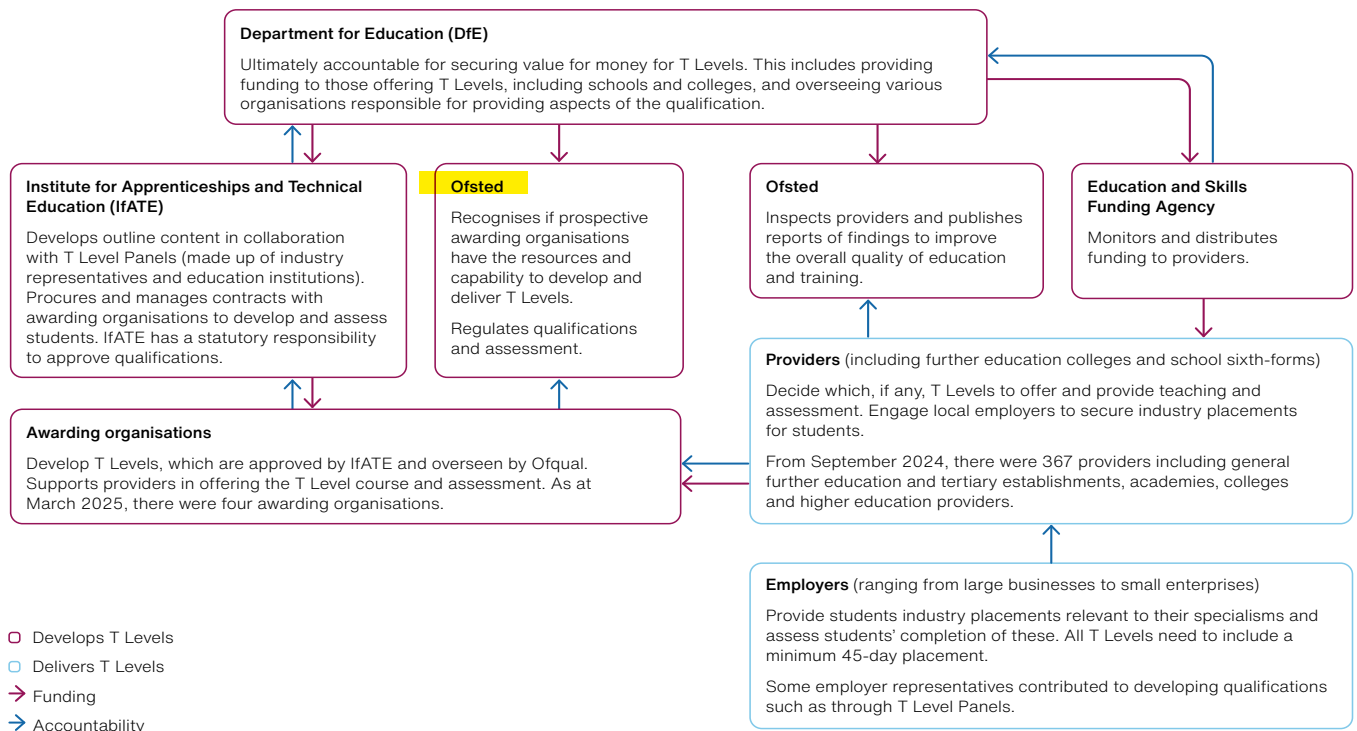
Text currently reads:

The box is labelled 'Ofsted'.

Figure 2

Main organisations involved in developing and providing T Levels, March 2025

Various organisations have responsibilities for developing and delivering aspects of T Levels



Text should read:

The box should say 'Ofqual'.

Correction three:

The subtitle to indicate that one T Level remains to be rolled out, rather than three.

Text currently reads:

The Department for Education (DfE) has delivered 21 T Levels, with three yet to be rolled out

Text should read:

The Department for Education (DfE) has delivered 21 T Levels, with one yet to be rolled out

Correction four:

Figure 7 title removes the word “programme” from the title for clarity.

Text currently reads:

Comparison of the Department for Education’s (DfE’s) forecast T Level programme costs from 2019-20 to 2024-25, as at June 2021 and December 2024

Text should read:

Comparison of the Department for Education’s (DfE’s) forecast T Level costs from 2019-20 to 2024-25, as at June 2021 and December 2024

Correction five:

Figure 8 the reference date changed from July 2024 to December 2024.

Text currently reads:

The Department for Education’s (DfE’s) T Level funding to providers from 2018-19 to 2024-25, as at July 2024

Note 1: Data for 2018-19 to 2023-24 reflects actual funding. Data for 2024-25 reflects forecast funding, as at July 2024.

Text should read:

The Department for Education’s (DfE’s) T Level funding to providers from 2018-19 to 2024-25, as at December 2024

Note 1: Data for 2018-19 to 2023-24 reflects actual funding. Data for 2024-25 reflects forecast funding.

Correction six:

Updated provider’s name in Appendix One, paragraph 6: ‘Hounslow’ changed to ‘Harrow.’

Text currently reads:

Hounslow, Richmond and Uxbridge College

Text should read:

Harrow, Richmond and Uxbridge College

Date of correction: 1 April 2025



Contents

Key facts	4
What this investigation is about	5
Summary	6
Part One	
Background to T Levels	13
Part Two	
T Level student numbers, costs and benefits	22
Part Three	
Providing T Levels	34
Appendix One	
Our investigative approach	50

This report can be found on the National Audit Office website at www.nao.org.uk


If you need a version of this report in an alternative format for accessibility reasons, or any of the figures in a different format, contact the NAO at enquiries@nao.org.uk


The National Audit Office study team consisted of:


Sanjana Arora,
Harry Hagger Johnson,
Elisabeth Moore and Tosin Omole,
with additional assistance from
Dean Fonseca-Bashford,
Mary Spooner and Lola Sunmonu
under the direction of
Emma Willson.

For further information about the National Audit Office please contact:

National Audit Office
Press Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

 020 7798 7400

 www.nao.org.uk

 @NAOorguk

Key facts

£1.25bn

the Department for Education's (DfE's) estimated spend on T Levels by the end of March 2025, £0.7 billion less than estimated in June 2021

21

number of T Levels available to students as at March 2025, with DfE delaying five by up to two years to improve course content and address commercial challenges

25,508

number of students starting a T Level in September 2024, 1% higher than DfE's October 2023 estimate, 85% of its August 2023 estimate, and 42% of its November 2022 estimate

74 number of occupational specialisms, across 21 T Levels, as at March 2025

Students' progression and experience

71% proportion of 10,253 students who completed their two-year T Level course in summer 2024 (provisional data)

89% proportion of students who achieved a pass or above in summer 2024 (provisional data), compared with 94% in summer 2023 and 97% in summer 2022

98% proportion of students completing a T Level in summer 2024 having undertaken an industry placement

Providing T Levels

37% reduction to 149% increase percentage change in fees providers will pay per T Level student between eight first- and second-phase awarding organisation contracts

£23,000 DfE's estimated economic benefit, in 2019-20 prices, for each T Level student over their lifetime, based on its "best judgement" that T Levels are 25% more valuable than other level 3 qualifications

Throughout this report, central government financial years are written as, for example, '2024-25' and run from 1 April to 31 March; school academic years are written '2024/25' and run from 1 September to 31 August

What this investigation is about

1 In 2017, the Department for Education (DfE) announced T Levels as a critical part of wider reforms to support people into skilled employment and meet the economy's needs. T Levels, a major change to technical qualifications, are two-year courses for 16- to 19-year-olds offered across a range of skills, equivalent in size to three A levels (introduced in 1951). They involve students choosing an occupational specialism, undertaking an industry placement and completing more learning hours than similar technical qualifications.

2 DfE is accountable for securing value for money from T Level qualifications, which it is delivering through a major programme. T Levels are complex to provide, with various bodies involved. On behalf of DfE, the Institute for Apprenticeships and Technical Education (IfATE) contracts with organisations to develop and award each T Level.¹ Employers contribute to developing the qualifications and provide industry placements. Education providers, including sixth forms and colleges, teach students and organise their placements. DfE told us T Levels will take time to develop, given the need to develop course content, prepare providers, and raise awareness among potential T Level students.

3 Since September 2020, DfE has introduced 21 T Levels in phases, with early roll out coinciding with the COVID-19 pandemic. As such, no students have yet completed the five T Levels DfE introduced in September 2023 or September 2024. It plans to introduce a further T Level from September 2025. Concerns have been raised with us about low student numbers, the value of awarding organisation contracts, challenges recruiting students, and the cost of T Levels to the government compared with other technical qualifications.

4 This investigation provides transparency over the government's progress introducing T Levels and sets out:

- the background to T Levels, DfE's overarching programme and the latest position introducing qualifications (Part One);
- estimated and actual student numbers, alongside associated costs and benefits (Part Two); and
- DfE's progress providing the various aspects needed for T Levels to be available, such as qualifications, providers with enough teachers and offering industry placements, and sufficient students (Part Three).

We do not examine whether T Levels are providing, or will provide, value for money. Appendix One details our approach, which describes the position as at March 2025.

¹ In July 2024, DfE announced plans for IfATE's functions to pass to a new public body, Skills England.

Summary

Key findings

Background to T Levels

5 DfE introduced T Levels to improve technical qualifications although the strategic context has evolved. DfE launched T Levels following recommendations from the 2016 Sainsbury Review, which outlined the need for new technical education routes, standards set by employers, and industry placements. As such, DfE aims for T Levels to improve technical education; better meet employers' needs; and improve students' labour market outcomes and educational progression. In 2019 DfE stated that T Levels would become the main technical option for 16- to 19-year-olds. However, the previous government had proposed a new qualification (no longer being introduced) to replace T Levels. And, after pausing previous plans to stop funding overlapping qualifications from August 2024, the current government announced in December 2024 that funding for some would continue until at least 2027 (paragraphs 1.2 to 1.6).

6 DfE introduced 16 of the 21 T Levels now available to the original timeframe but delayed the rest to, for example, improve the course content and address commercial issues. DfE initially aimed to introduce three T Levels in September 2020, and the remainder in September 2022. The Accounting Officer raised concerns about the feasibility of September 2020, recommending a year's delay. The Education Minister directed the Accounting Officer to work at speed, and DfE introduced the first three T Levels on time in September 2020. These were delivered by a small number of high performing providers, influencing DfE's learning from an early roll out. Of the remaining 18 T Levels available, 13 were delivered on time and five were delayed by up to two years. Delays resulted from DfE wanting to ensure qualifications met standards; challenges getting employers to approve qualifications; and procurement challenges across three contracts. In March 2023, DfE announced an additional T Level, Marketing, available from September 2025. In December 2024, it announced the Onsite Construction T Level would be discontinued due to low student numbers. In March 2025, it announced the Healthcare Science would be discontinued due to low student demand. In April 2024, the Accounting Officer assessed the programme as deliverable, with DfE seeking to manage the remaining feasibility risks through effectively managing stakeholder relationships and undertaking regular reviews (paragraphs 1.10 to 1.13 and Figure 3).

T Level student numbers, costs and benefits

7 Although DfE’s modelling has improved over time, its earlier estimates and ambition for student numbers were significantly overstated. There are inherent uncertainties associated with estimating future student numbers for a new qualification. In September 2024, 25,508 students started a T Level; 42% of DfE’s November 2022 estimate, 85% of its August 2023 estimate and 1% higher than its October 2023 estimate. Earlier, in February 2023, the Infrastructure and Projects Authority (IPA) reported DfE’s wider ambition for up to 100,000 students starting T Levels by September 2025 as unachievable, contributing to the programme being undeliverable. In 2022, DfE had revised down this ambition to 70,000 by September 2027, which it plans to revisit with ministers later in 2025. Based on its latest model, DfE’s central estimate is for 49,700 students in September 2027, and 66,100 in September 2029, with upper estimates of 60,000 and 80,000 respectively. As data on students undertaking T Levels have increased over time, DfE has improved its model (paragraphs 2.2 to 2.4).

8 DfE met its most recent expectation of student numbers in September 2024, while enrolments across T Levels and occupational specialisms vary. The number of students starting a T Level has increased each year. In September 2024, this had reached 25,508 (a 59% increase from students starting in September 2023) with a total of around 58,300 students starting a T Level by this point. Student numbers varied across occupational specialisms, with 1,172 completing the early years educator specialism and only three completing the painting and decorating specialism. Mainly because of lower than estimated student numbers, DfE expects to spend £1.25 billion introducing T Levels, £0.7 billion less than its June 2021 estimate. It has not yet confirmed future budgets beyond March 2025 as it awaits the outcome of the 2025 Spending Review (paragraphs 2.9 to 2.11 and Figures 4 and 7).

9 As new subjects are introduced, the proportion of students passing their T Level has fallen each year, with the proportion completing their course just below that of other level 3 qualifications. As T Levels take two years, the third group of students taking a T Level came to the end of their course in summer 2024, with 71% completing their course (based on provisional data). This has increased from 66% completing their course in summer 2023, when 75% of students enrolled on other large vocational qualifications completed their course. The proportion of students achieving a pass or above fell from 97% in summer 2022, to 94% in summer 2023 and, based on provisional data, 89% in summer 2024 with the overall pass rate across the 10 T Levels also assessed in summer 2023 remaining similar. However, in summer 2022, only three T Levels had been available at a small number of providers selected by DfE for their quality and capability, with this the first group of students to take T Levels. In summer 2023, 10 T Levels had been available with 16 in summer 2024 across a broader range of providers. DfE told us the phased introduction of T Levels had impacted pass rates in line with its expectations (paragraphs 2.7 to 2.8 and Figure 5).

10 Students' satisfaction with their T Levels has varied. Students who started in 2021, when T Levels were newer, reported, for example, higher satisfaction with their industry placements (78%) than the management of T Levels (37%). When first available, surveyed students on the Education and Early Years T Level were more satisfied at the end of their course (79%) than with those taking health and science-related T Levels (39%), which DfE felt may have reflected issues with course assessments. In July 2024, Ofqual issued a fine to the organisation awarding these T Levels following concerns, identified by students and the awarding organisation, which the organisation committed to address (paragraphs 3.16 and 3.25 and Figures 13 and 14).

11 T Levels are necessarily more expensive than other qualifications available for 16- to 19-year-olds because of additional teaching hours, extra funding to support providers, and industry placements. Given the design of T Levels, DfE allocates providers more funding per T Level student (between around £5,500 to £7,000 for a single academic year in 2024/25 depending on the size of the course). For other 16- to 19-year-old qualifications, DfE's highest funding rate is around £4,800. Students must complete between 1,330 and 1,680 learning hours over two years, compared with an average of around 640 hours per year (or 1,280 hours over two years) across broader study programmes available for 16- to 19-year-olds. DfE also increased providers' funding ranges by 10% in 2023/24 and 2024/25 to help them transition to T Levels. DfE's funding rates include funding to support disadvantaged students and those with higher-needs, and to improve attainment in English and maths. DfE also allocates providers £550 per student to help providers plan and monitor industry placements (paragraphs 2.13 and 2.14, and Figures 6, 7 and 8).

12 DfE has developed plans to monitor wider benefits. DfE has identified four potential benefits from T Levels, such as student earnings and their readiness for work and skills. The IPA commented positively on DfE's work to identify and track benefits, and the "line of sight" from strategic objectives through to outcomes, outputs and performance metrics. Ahead of robust data becoming available, DfE is using alternative sources for some measures but has yet to decide how it will assess employers' feedback (paragraphs 2.17 and 2.18, and Figure 9).

13 The future economic benefits associated with T Levels, critical to assessing their success, are uncertain. DfE sees its greatest value for money risk as T Levels not offering more benefits than other level 3 qualifications. Its current "best judgement" is that T Levels will be 25% more valuable (around £23,000 per student over their lifetime, in 2019-20 prices). In August 2023, DfE assumed 30,100 students would start a T Level in September 2024, leading to a return of £1.20 for every £1 spent. It assumes that benefits will increase significantly over later years, with more student numbers and set-up costs spread over a longer period. It estimated that, with 66,100 students by 2027-28, there would be £8.10 of benefits for every £1 spent. With students' earnings data not yet available, and student numbers hard to estimate, the anticipated benefits are uncertain (paragraphs 2.19 and 2.20).

Providing T Levels

14 DfE has identified student awareness and prior attainment as barriers to increasing the numbers wanting to enrol on T Levels. To increase student numbers, DfE has introduced various measures, including running a national marketing campaign in 2019. It subsequently covered T Levels within a broader skills campaign following research findings on what works to raise awareness and to meet Cabinet Office requirements. Awareness of T Levels among students in years 9 to 11 has increased from 8% in 2019 to 50% in 2023. To increase numbers, DfE has revisited what is required to pass a T Level and is working with higher education institutions to recognise T Levels. In November 2024, 166 higher education providers accepted T Levels for at least one course. DfE also introduced a foundation year to help those students needing more support before starting a T Level. However, in 2021/22, 85% of the 3,194 starting the course completed the foundation year, from which 8% progressed onto a T Level. DfE also introduced a celebration week and continues to promote T Levels (paragraphs 3.22 to 3.24).

15 DfE considers the availability of industry placements as a potential constraint on student numbers, although assesses its recent work as reducing this risk for placements this year with almost all the most recent students completing a placement. DfE has identified barriers, which include encouraging employers to consistently offer placements particularly across the health sector. However, of those completing a T Level in summer 2024, 98% had undertaken an industry placement. DfE has assessed not having enough industry placements as one of the highest risks ('amber/red' rating) to scaling up the programme. However, in March 2025 it reduced its assessment of there not being enough placements in year to 'amber/green'. It did so after introducing more flexibilities for students to do some of their placement remotely and finding a lower proportion of students without a placement in January 2025 compared to the year before. DfE's activities include establishing a network of ambassadors to promote T Levels to employers and young people. However, it no longer provides employers financial incentives to offer placements and has yet to set out how it will capitalise on Local Skills Improvement Plans. These were introduced in 2023, and referenced in the government's December 2024 devolution white paper, to improve local working between providers, employers and stakeholders (paragraphs 3.20 to 3.22).

16 Reflecting on lessons learned, IfATE designed its latest contracts to reduce awarding organisations' financial risks associated with low student numbers.

Awarding organisations largely rely on income from providers based on student enrolments. Their contracts are based on expected student numbers provided by DfE – two awarding organisations told us they could not challenge these assumptions which they used to assess the contracts' profitability. By 2022/23, actual student numbers were lower across 15 out of 16 available T Levels, which IfATE recognises has led to some contracts making a loss. IfATE has since reprocured eight contracts. Providers will pay higher fees across six contracts, with increases ranging from 26% to 149%. Providers will pay awarding organisations lower fees per student across two contracts, with decreases of 18% and 37%. Also, reflecting on lessons learned, awarding organisations are working to more modest student number assumptions and a new pricing approach. If student volumes are 15% lower than expected, awarding organisations can decide to adjust the fees they ask from providers to maintain percentage profit margins set out in their bids. If student volumes are 15% higher than expected, IfATE would calculate lower provider entry fees. Providers will need to decide if they can pay higher fees. IfATE did not identify risks to providers' financial sustainability in its procurement business cases, and assumed higher fees could be met by existing funding. It considers that awarding organisations would not increase provider fees if this would likely reduce demand (paragraphs 3.6, 3.7, 3.10, 3.11, 3.13 and Figures 11 and 12).

17 The market of awarding organisations for T Levels qualifications is limited.

DfE and IfATE procured 19 of their 22 first phase contracts through open competition albeit with a limited market, with the three remaining contracts being agreed through a closed bidding process. IfATE considers that low student numbers, announcement of the Advanced British Standard (now reversed), and delays defunding larger overlapping qualifications have affected market interest in T Levels. Across its eight second phase procurements, IfATE received proportionally fewer bids, while an awarding organisation which holds eight first phase contracts chose not to rebid for two contracts it already held (paragraphs 3.4, 3.5, 3.9 and 3.10).

18 Awarding organisations told us that the government's contract management and regulatory approaches contributed to creating additional burdens.

In line with good practice and government guidance, awarding organisations must provide IfATE with various reports and performance data to help it monitor contractual performance. IfATE considers it needs to take a robust contract management approach given the contracts' complexity and risks. Awarding organisations told us these requirements were extensive compared with other qualifications, with the detail and frequency of reporting burdensome. Some also described challenges getting employers to validate the technical qualifications, as in some instances they disagreed with those employers working with IfATE making the process unnecessarily complex. This risked making qualifications unnecessarily expensive. DfE recognised that awarding organisations experienced a lack of co-ordination between IfATE and Ofqual which created repetition and additional burden (paragraphs 1.6, 1.7, 3.14, 3.15 and Figure 10).

19 DfE has continued to evolve the programme and respond to feedback, including from a critical IPA report. In February 2023, the IPA assessed that in continuing to deliver to summer 2023, the T Level programme was unachievable in terms of time, cost, and quality, particularly given ambitious student number assumptions. IPA subsequently reported in June 2023 that DfE had made good progress against its recommendations, including by strengthening its programme oversight, finding the programme in a “substantially better” position in March 2024. DfE has also responded to feedback and continually evolved the programme by, for example, recognising moving into higher education as an aim and by responding positively to an Ofsted thematic review (paragraphs 1.7 to 1.9 and 2.4).

Conclusion

20 DfE designed T Levels as new technical qualifications to better meet employers’ needs and expects them to help address critical skills gaps across the economy. T Levels cost more than other qualifications given, for example, the additional teaching hours and industry placement involved. DfE allocated providers between around £5,500 to £7,000 in 2024-25 for a single study year for each student (compared with up to around £4,800 for other qualifications), in addition to core funding. However, DfE’s current best judgement is that T Levels will be 25% more valuable than other level 3 qualifications. Nevertheless, the future economic benefits are uncertain and it will take time for benefits to be realised.

21 Despite an ambitious timetable, DfE introduced 16 T Levels as planned by September 2022, with a further five now available after delays of up to two years. However, critical to realising the benefits of T Levels, will be increasing the numbers of students on courses. Despite progress, this will remain challenging given the need to raise awareness and secure industry placements for more students. With 25,508 students starting in September 2024, the fifth year of T Levels being available, DfE has a central estimate for 66,100 students a year starting by September 2029. In thinking about student numbers, DfE will need to monitor the impact of wider strategic changes and ensure its revised commercial arrangements with awarding organisations are sustainable.

Recommendations

22 In working towards fully introducing T Levels and increasing student numbers, as DfE evolves the programme it should:

- a** establish ways to ensure there is understanding, across DfE, of the potential impact on T Level demand, benefits, costs and approach before making wider strategic changes and decisions around the development of the technical qualifications landscape;
- b** continue efforts to expand industry placements, critical to offering T Levels to more students, by:
 - reviewing how existing mechanisms to coordinate local engagement between employers, providers and local stakeholders, such as Local Skills Improvement Plans, could be strengthened in line with the government's wider devolution agenda; and
 - targeting activity, both geographically and across certain T Levels, where industry placements are most needed – this includes through identifying and capitalising on opportunities to increase placements within the public sector, in particular health.
- c** set out how it will monitor and manage the impact of revised commercial arrangements on awarding organisations and providers – this includes testing possible scenarios and contingency plans and evaluating the impact of pricing arrangements on awarding organisations and providers' ability to offer T Levels; and
- d** use the expected transfer of IfATE's responsibilities to revisit roles and responsibilities, ensure a singular vision, and develop commercial oversight and regulatory arrangements that are efficient and proportionate, including exploring opportunities to rationalise contract assurance activities.

Part One

Background to T Levels

1.1 Since 2020, the Department for Education (DfE) has been introducing T Levels, new technical qualifications for 16-to-19-year-olds, and expects them to help address critical technical skills shortages across the UK economy. This part of the report describes the background to T Levels; DfE's approach, working with others, to the T Levels programme; and its progress introducing qualifications.

Skills landscape

1.2 Providing effective technical qualifications is a critical part of government's aim to develop the skills needed across the UK economy. In 2016, the *Report of the Independent Panel on Technical Education* (the Sainsbury Review) highlighted chronic shortages in the skills needed to improve productivity, which the government reiterated in its latest industrial strategy published in November 2024.² The Sainsbury Review described technical education as "over-complex" and called for a "fundamental shift". It recommended a national system of technical education based on employer-designed standards, across skilled occupations, and a two-year programme for 16-to-18-year-olds involving a high-quality work placement.

1.3 In 2016, DfE published its *Post-16 Skills Plan*, which accepted the Sainsbury Review recommendations and committed to grouping occupations within technical areas and two-year college-based programmes. This plan provided the basis for DfE to develop T Levels across 11 technical areas, with four areas delivered through apprenticeships. T Levels are a major change to the technical qualification landscape. The government introduced Business and Technology Education Council awards (BTECs) and National Vocational Qualifications, other technical qualifications, in the 1980s. A levels were first introduced in 1951.

² Independent Panel on Technical Education, *Report of the Independent Panel on Technical Education*, Department for Business, Innovation and Skills April 2016; Department for Business and Trade, *Invest 2035: the UK's modern industrial strategy*, November 2024.

Developing a new technical qualification

1.4 T Levels are two-year level 3 qualifications, similar in size to three A levels, taken after GCSEs. They are intended to prepare students for skilled employment, an apprenticeship, or related further or higher education.³ They primarily comprise classroom-based learning with students spending around 20% of their time on an industry placement, compared with apprenticeships where students spend most of their time learning on the job. Each T Level is based on occupational standards, developed and approved by employers, which set out the knowledge, skills and behaviours needed. They comprise:

- a core component focused on the knowledge, understanding and core skills relevant to the occupations covered;
- an occupational specialism(s) covering specific knowledge, skills and behaviours; and
- an industry placement of at least 45 days.

1.5 In 2021, after reviewing post-16 qualifications, DfE stated that T Levels would become the main technical option for 16- to 19-year-olds (**Figure 1** on pages 16 and 17). However, in October 2023 the then government announced the Advanced British Standard as a new qualification to replace T Levels and A levels. The current government reversed this decision. In addition, DfE had planned to remove funding from overlapping qualifications, such as BTECs, from August 2024. However, after a pause to this timetable, the government announced in December 2024 that it would continue funding certain qualifications until at least 2027. At the same time, it confirmed that it would withdraw funding from over 200 qualifications with low or no student enrolments from August 2025. This may influence student choices and numbers. In December 2024, the government described T Levels as an “excellent qualification option which should be available to more learners”. After an interim report published in March 2025, DfE expects a final Curriculum and Assessment Review to be published in autumn 2025, commenting on qualifications in the longer term and making recommendations.

³ There are nine qualification levels, including levels 1 to 8 and entry level qualifications. Level 3 includes T Levels, A levels and advanced apprenticeships.

DfE's oversight of T Levels

1.6 In October 2016 DfE established the T Level programme, which forms part of the government's portfolio of major projects.⁴ The programme aims to improve technical education; better meet employers' needs; improve students' labour market outcomes; expand students' opportunities for educational progression; and be more efficient. To achieve these aims, DfE oversees various organisations responsible for providing aspects of the qualification (**Figure 2** on page 18). For example, the Institute for Apprenticeships and Technical Education (IfATE) approves occupational standards and contracts with organisations to develop and award qualifications. Providers, which include colleges and school sixth forms, must have the teaching staff and facilities needed for the T Levels they choose to offer.

1.7 DfE set-up boards, including at a senior level, and reflected on feedback to improve its programme oversight and decision-making. DfE's Skills Group⁵ has regular discussions and routes for escalating programme risks, drawing on information from partners such as IfATE. In February 2023, in what was otherwise a critical assessment of the programme, the Infrastructure and Projects Authority (IPA) commented favourably on DfE's T Level delivery board and "extensive communications and stakeholder management". However, it also recommended that, given the strong interdependencies between T Levels and other programmes, DfE should review governance over its wider qualifications landscape to better manage dependencies. The IPA also recommended that, in continuing to deliver to summer 2023, the programme be reset, as overall delivery to "time, cost and quality" was unachievable.

1.8 In June 2023, the IPA reported that DfE was making good progress against its recommendations. It had strengthened its programme oversight and links to wider governance but could still be clearer how T Levels fitted within the wider qualification landscape. DfE had also recruited more programme staff and strengthened oversight of operational issues. In March 2024, the IPA considered that DfE had sustained this progress, with the programme in a "substantially better" position.

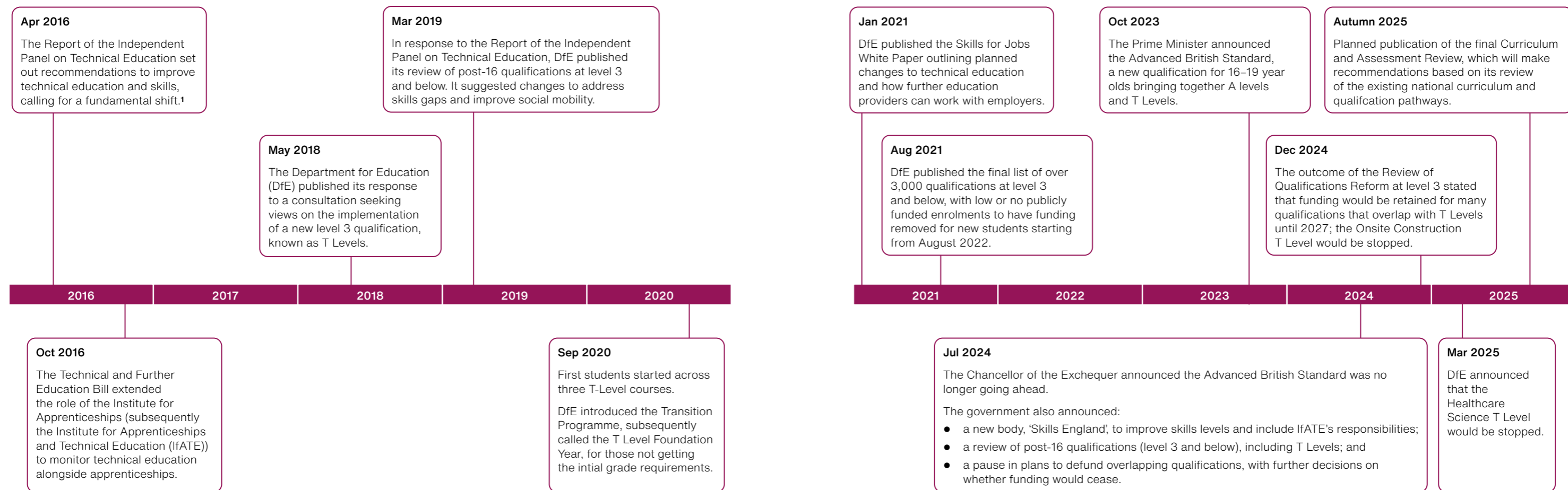
1.9 DfE has sought to identify lessons and evolve its approach. For example, it conducted an internal review, available in March 2023, assessing the impact of policy design and progress in scaling up T Levels. DfE has evolved its approach in response to this and other reviews, such as that by Ofsted in 2023 which led to changes to its employer engagement and work with Ofqual and IfATE. More widely, DfE originally intended for students to move straight into skilled employment after completing a T Level, but subsequently recognised the importance of expanding opportunities, and now recognises moving into higher education as an aim.

⁴ The Government Major Projects Portfolio, managed by the Infrastructure and Projects Authority, brings together around 200 of the government's largest and most innovative and risky programmes.

⁵ DfE has organised its core departmental staff working across six groups, the Skills Group's responsibilities include skills strategy; apprenticeships; technical qualifications; and strategy and funding for higher and further education.

Figure 1
Timeline of reviews and decisions impacting T Levels, 2016 to 2025

Since T Levels were introduced in 2020, wider decisions have impacted their positioning



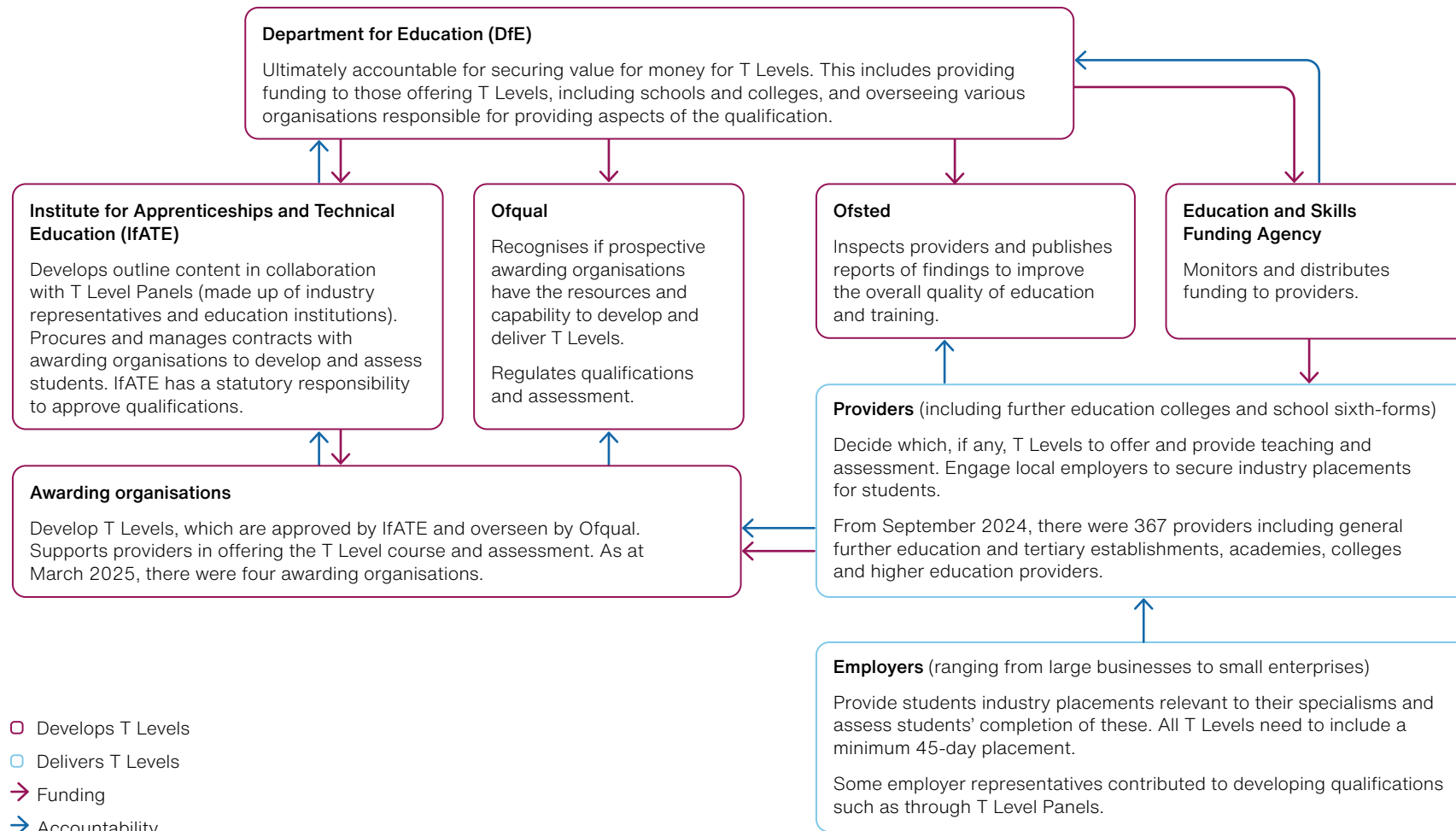
Notes

- 1 The Independent Panel on Technical Education, chaired by Lord David Sainsbury, produced the Sainsbury review advising ministers how to improve the quality of technical education to meet skills needs.
- 2 There are nine qualification levels, including levels 1 to 8 and entry level qualifications. Level 3 includes T Levels, A levels and advanced apprenticeships.

Source: National Audit Office analysis of Department for Education documents

Figure 2
Main organisations involved in developing and providing T Levels, March 2025

Various organisations have responsibilities for developing and delivering aspects of T Levels



Notes

- 1 In September 2024, the government announced that the Education and Skills Funding Agency functions would be brought within the Department for Education (DfE) from March 2025. In July 2024 it announced plans for the Institute for Apprenticeships and Technical Education's (IfATE's) functions to pass to Skills England.
- 2 Between April 2023 and March 2024, providers were responsible for making payments to the employers providing industry placements, known as the employer support fund.

Source: National Audit Office analysis of Department for Education documents

Progress introducing T Levels

1.10 In October 2017, DfE committed to introducing all planned T Levels by 2022, with some specialisms across three qualifications available from September 2020. However, in May 2018, the Accounting Officer advised the Education Minister that the 2020 start date was “ambitious” and “very challenging”, and should be deferred to 2021 to mitigate feasibility, and consequent value for money risks. The Education Minister issued the Accounting Officer a Ministerial Direction to work at speed and introduce three T Levels in September 2020 to a small number of providers. In December 2018, DfE extended its implementation timetable of all T Levels to “beyond 2022”.

1.11 DfE met the first published milestone, offering the first three T Levels as planned from September 2020 across 41 providers. In 2018, it had identified a potential group of up to 1,000 providers. It selected these providers based on their quality and capability, inviting those it considered as meeting a strong quality benchmark and as having experience delivering similar qualifications; good attainment results; an Ofsted rating of ‘outstanding’ or ‘good’ and ‘satisfactory’ financial health. These providers were not representative of all providers, influencing DfE’s learning from the early roll out and its ability to form a baseline to assess future performance. The early roll out of T Levels coincided with the COVID-19 pandemic which impacted providers, including with closures.

1.12 By September 2022, DfE and IfATE had introduced 16 T Levels across 164 providers, in line with timeframes set out in December 2018 (**Figure 3** on pages 20 and 21). It introduced a further two, delayed by one year, in 2023, and three in 2024, delayed by two years. As such, 21 of the 25 initially announced T Levels are now being offered, with four no longer being developed Human Resources; Cultural Heritage and Visitor Attractions; Beauty Therapy; and Catering. Given T Levels are two-year courses, no students have yet completed the five T Levels introduced in September 2023 and September 2024. Three groups have now completed the earliest T Levels offered from September 2020.

1.13 In March 2023, DfE announced it planned to introduce a further T Level, Marketing, from September 2025 and, in December 2024, that it would stop funding Onsite Construction, introduced in 2021, given a lack of student demand. In April 2024, the Accounting Officer updated the programme accounting officer assessment, noting feasibility risks associated with introducing these new qualifications and overlapping level 3 qualifications.⁶ The Accounting Officer concluded that the programme was deliverable, with risks managed through effective relationships with stakeholders and regular review exercises. In March 2025, DfE announced its decision to stop enrolments on the Healthcare Science T Level, introduced in 2021, due to low student demand, with those starting in September 2025 the final group of students. It plans to update both its Health and Science T Levels so students seeking to pursue relevant careers can do so through these routes.

⁶ Accounting officer assessments provide a framework for accounting officers to consider significant spending decisions against the four public spending standards (regularity, propriety, value for money and feasibility).

Figure 3

Progress introducing T Level qualifications, as at March 2025

The Department for Education (DfE) has delivered 21 T Levels, with one yet to be rolled out

T Level	Planned rollout as at December 2018	Delays since 2018	Additional information
Initial T Levels available in-line with initial expected date			
Design, Surveying and Planning for Construction	Sep 2020	No delay	
Digital Production, Design and Development	Sep 2020	No delay	
Education and Early Years	Sep 2020	No delay	
Building Services Engineering for Construction	Sep 2021	No delay	
Digital Business Services	Sep 2021	No delay	
Digital Support Services	Sep 2021	No delay	
Health	Sep 2021	No delay	
Healthcare Science	Sep 2021	No delay	In March 2025, DfE announced that this T Level would cease after students starting in September 2025.
Science	Sep 2021	No delay	
Onsite Construction	Sep 2021	No delay	In December 2024, DfE announced that this T Level would cease after students starting in September 2024.
Accounting	Sep 2022	No delay	
Design and Development for Engineering and Manufacturing	Sep 2022	No delay	
Engineering, Manufacturing, Processing and Control	Sep 2022	No delay	
Finance	Sep 2022	No delay	
Maintenance, Installation, and Repair for Engineering and Manufacturing	Sep 2022	No delay	
Management and Administration	Sep 2022	No delay	

Figure 3 continued

Progress introducing T Level qualifications, as at March 2025

T Level	Planned rollout as at December 2018	Delays since 2018	Additional information
Initial T Levels available following a delay			
Agriculture, Land Management and Production	Sep 2022	1-year delay	DfE delayed given a lack of science content for two occupational specialisms and challenges gaining employers' feedback and approval of qualification content.
Legal Services	Sep 2022	1-year delay	IfATE delayed rollout given procurement challenges.
Animal Care and Management	Sep 2022	2-year delay	DfE delayed given a lack of science content, issues with an occupational specialism and challenges gaining employers' feedback and approval of qualification content.
Craft and Design	Sep 2022	2-year delay	IfATE delayed approving the awarding organisation contract to further develop standards.
Media, Broadcast and Production	Sep 2022	2-year delay	IfATE delayed approving the awarding organisation contract.
T Level announced later and not yet available			
Marketing	N/A	N/A	In March 2023, DfE announced that a marketing T Level would be introduced in September 2025.
Initial T Levels no longer being developed			
Beauty Therapy	Sep 2022	N/A	DfE had initially planned to introduce a T Level in hairdressing, barbering and beauty therapy. It then considered introducing a T Level focusing on the beauty sector. In March 2025, DfE announced its decision not to introduce a T Level in beauty therapy.
Catering	Sep 2022	N/A	In 2023, IfATE stopped the awarding organisation contract. In March 2025, DfE announced its decision not to introduce a T Level in catering.
Cultural Heritage and Visitor Attractions	Sep 2022	N/A	In 2020, DfE announced that this T Level will no longer be developed as other T Levels would provide a better route into the industry.
Human Resources	Sep 2022	N/A	In December 2021, DfE announced that this T Level will no longer be developed but kept under review.

Notes

- 1 The Institute for Apprenticeships and Technical Education (IfATE) works with DfE to contract and manage awarding organisations to develop qualifications. Awarding organisations develop course and assessment materials, approved by IfATE.
- 2 When enrolling on a T Level, students need to choose at least one occupational specialism (covering specialist content or industry-specific skills).

Source: National Audit Office analysis of Department for Education documents

Part Two

T Level student numbers, costs and benefits

2.1 The Department for Education (DfE) can only scale up T Levels, to realise benefits and ensure T Levels are financially sustainable for providers and awarding organisations, by increasing student numbers which will take time. DfE has set out how many T Level students it expects to enrol, underpinned by its modelling. This part of the report describes how DfE estimates student numbers, and the benefits and costs of T Levels.

Student numbers

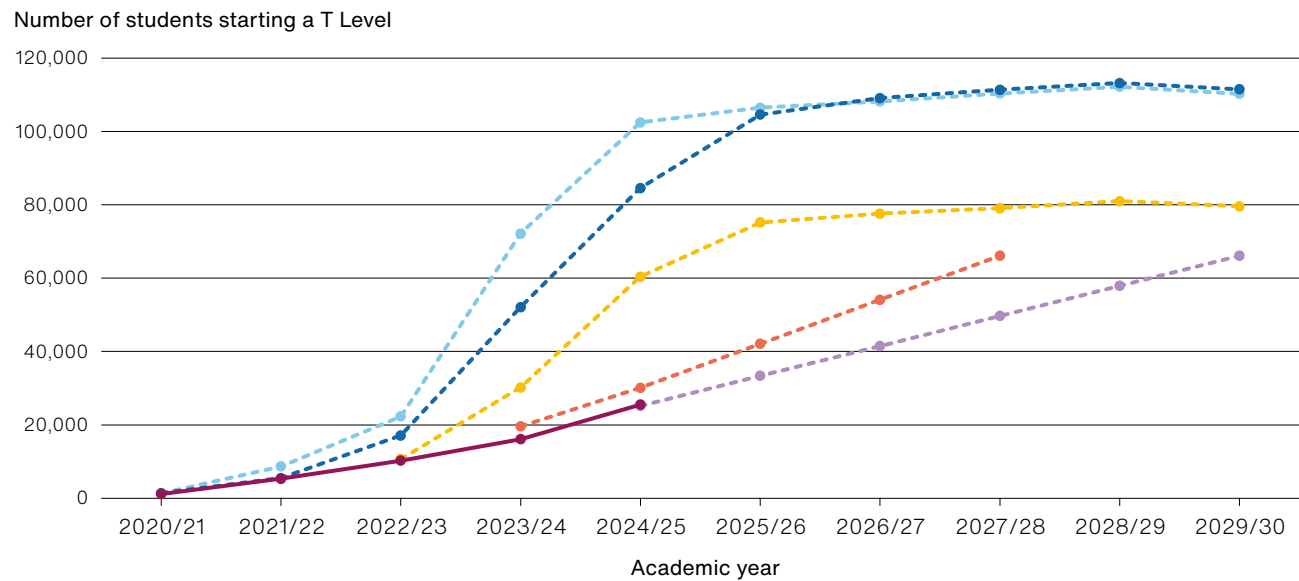
2.2 Since September 2020, the number of students starting T Levels has increased each year. In September 2024, the fifth year of T Levels being available, this had reached 25,508 students starting across 21 T Levels (a 59% increase from students starting in September 2023) with a total of around 58,300 students starting a T Level by this point. The 25,508 was 42% of DfE's November 2022 central estimate, 85% of its August 2023 central estimate and 1% higher than its October 2023 central estimate (**Figure 4**). As it gathers more data on student numbers, DfE has improved its model, including the assumptions around students' prior attainment and choices.

2.3 There are inherent uncertainties associated with estimating future student numbers for a new qualification, given the challenges understanding how students will respond and the impact of wider changes. DfE's estimates have been impacted by wider changes. For example, given uncertainty caused by the previous government announcing the Advanced British Standard, DfE revisited estimates and moved back when it expects to achieve 'steady state', when all T Levels have been rolled out and overlapping qualifications defunded, by two years to September 2029. DfE's latest model, as at October 2023, gives a central estimate of 66,100 students starting a T Level in September 2029, compared with a previous central estimate in August 2023 of 66,100 at an earlier date of September 2027.

Figure 4

Students starting a T Level between September 2020 to September 2024, and the Department for Education's (DfE's) estimates of student demand up to September 2029

DfE has revised down its estimates of students starting a T Level with its most recent estimate forecasts 66,100 students in 2029/30



	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
● May 2021 estimate	1,300	8,700	22,300	72,200	102,500	106,500	108,200	110,400	112,200	110,300
● January 2022 estimate	1,400	5,500	17,100	52,100	84,600	104,600	109,100	111,400	113,200	111,500
● November 2022 central estimate			10,700	30,200	60,400	75,200	77,600	79,100	81,000	79,600
● August 2023 central estimate				19,600	30,100	42,100	54,100	66,100		
● October 2023 central estimate					25,200	33,400	41,500	49,700	57,900	66,100
● Actual students starting a T Level	1,164	5,321	10,253	16,081	25,508					

Note
 1 DfE's estimates in May 2021 and January 2022 are single-point estimates. DfE's November 2022, August 2023 and October 2023 central estimates.

Source: National Audit Office analysis of Department for Education data

2.4 Drawing on its estimates, DfE has revised down its ambition for student numbers although this remains optimistic. In its February 2023 programme review, the Infrastructure and Projects Authority (IPA) reported DfE's ambition for 100,000 students to start a T Level by September 2025 as unachievable. It recommended DfE reconsider the trajectory. DfE had already revised its ambition down to 70,000 students by September 2027. The IPA subsequently noted that, while more realistic, this ambition remained higher than DfE's central modelling estimate in August 2023. It recognised, however, the minister's ambition and most recently, in March 2024, assessed the programme as being in a "substantially better" position. DfE revised down its ambition as T Levels were more rigorous than originally assumed and earlier modelling too optimistic about students choosing T Levels. A total of 70,000 students remains DfE's latest ambition and DfE told us it plans to revisit this with ministers later in 2025. Based on its latest model, DfE's central estimate is for 49,700 students in September 2027, and 66,100 in September 2029, with upper estimates of 60,000 and 80,000 respectively.

2.5 DfE's ability to increase student numbers will depend on there being enough places available. In August 2023, it estimated that constraints imposed by shortages of teachers and industry placements could limit the number of places to around 48,000. DfE told us that it produced this estimate to indicate capacity constraints at the time, and any estimate of the future capacity of the system to support students was uncertain. It told us that it has limited evidence regarding teachers' availability and whether teachers would prioritise teaching T Levels over other qualifications. It also estimated available industry placements based on what employers could theoretically offer, with limited data to estimate constraints across different T Levels or geographical areas. DfE has not updated this estimate but has continued to use it in its internal reporting. In its February 2023 review, the IPA highlighted that future revisions to DfE's student demand forecasts should factor in assumptions around available places. DfE did not apply these adjustments in its subsequent forecasts.

2.6 Some providers have raised with DfE concerns that student numbers could be limited by students' previous academic attainment.⁷ In 2022/23, the latest year for which data are available, of the 10,253 students starting T Levels, 94% had a grade 4 in GCSE English and 97% in GCSE maths. In September 2022, 88% and 82% of students who started level 3 vocational technical qualifications achieved at least a grade 4 in GCSE English and maths respectively.⁸ In terms of students undertaking T Levels, the Education and Policy Institute has reported demographic differences, including females being under-represented in 2022/23 following the introduction of male-dominated engineering and manufacturing pathways. Students assessed as having special educational needs at age 15 made up 11% of T Level students compared with 15% of the level 3 vocational qualifications cohort.

7 This reflected 10% of the 214 T Level providers DfE spoke to in March and April 2024.

8 DfE considers a pass at GCSE to be a grade 4 and above.

2.7 Based on provisional data, 71% of 10,253 students starting a T Level in September 2022 the third-year students started a T Level, completed their qualification in summer 2024. This was an increase from the 66% of those completing in summer 2023, when a lower proportion of T Level students completed their course compared with those on other more established qualifications (**Figure 5** overleaf). Of the 5,321 students entered, 60% completed the assessment and 20% withdrew and switched qualifications. In summer 2023, students completed T Levels across 10 subjects, compared with 16 in summer 2024. Reasons for students not completing their qualification included the cost-of-living crisis leading students to opt for full-time employment; T Levels being too challenging; and assessment issues (Figure 14). DfE told us that as T Levels reflect a major change to the technical qualification landscape, it will take time to develop course content, raise awareness of T Levels among students and prepare providers.

2.8 Since their introduction, the proportion of students passing a T Level has fallen each year, with 97% of the first cohort passing in summer 2022 followed by 94% the year after.⁹ The provisional pass rate for T Levels was 89% in summer 2024, with the overall pass rate across the 10 T Levels also assessed in summer 2023 broadly similar. DfE expects this to rise following additional marking. DfE told us the phased introduction of T Levels had impacted pass rates in line with its expectations. For example, for the first cohort, passing in summer 2022, three T Levels were available across a limited number of providers selected by DfE based on their quality and capability. For those completing in September 2023, this had increased to 10 T Levels being available across a wider range of providers, with 16 being available for those passing in summer 2024. Although comparisons across qualifications have limitations, in 2023/24 the pass rate for an A level, Applied General qualifications and Tech Levels were 97%, 98% and 99%, respectively. Applied General qualifications and Tech Levels are level 3 vocational and technical qualifications.

2.9 Within their T Level, students choose an occupational specialism or specialisms, providing specialist, more detailed industry-specific training. As at March 2025, providers were offering 74 occupational specialisms across 21 T Levels. The early years educator specialism (within the Education and Early Years T Level) was most popular, with 1,172 students completing the T Level in summer 2024. That summer, three occupational specialisms had five or fewer students completing the T Level. Three students completed the painting and decorating specialism within the Onsite Construction T Level, which was the second year it was available.¹⁰ In summer 2024, the electrical and electronic engineering specialism (within the Design and Development for Engineering and Manufacturing T Level) had the lowest pass rate at 72%, compared with 100% pass rates for students undertaking 10 specialisms across six T Levels.¹¹

9 Some students who completed their qualifications in summer 2022 received teacher-assessed grades for their core component (covering sector knowledge and skills).

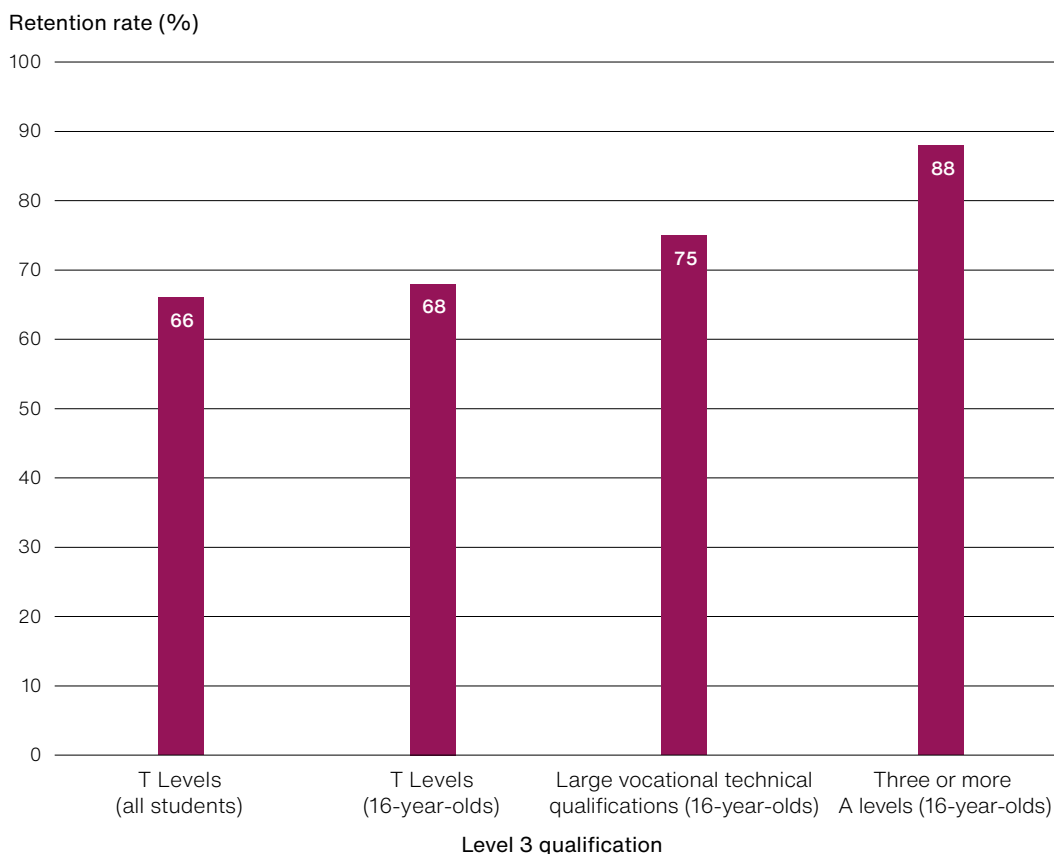
10 In December 2024, DfE announced that this T Level would cease for new students.

11 These included three specialisms in both the Engineering, Manufacturing, Processing and Control and the Onsite Construction T Level and one across each of the Digital Business Services; Design, Surveying and Planning for Construction; Finance; and Maintenance, Installation and Repair for Engineering and Manufacturing T Levels.

Figure 5

Proportion of students completing selected level 3 qualifications in summer 2023, having started in September 2021

Compared with other level 3 qualifications, fewer T Level students completed their course as expected in 2022/23



Notes

- 1 There are nine qualification levels, including levels 1 to 8 and entry level qualifications. Level 3 includes T Levels, A levels and advanced apprenticeships.
- 2 This figure shows retention rates for 16-year-old students starting T Levels in September 2021.
- 3 In September 2021 5,321 students started T Levels, including 3,942 16-year-olds. A total 14,559 students started large vocational qualifications and 161,270 started three or more A levels.
- 4 In September 2021, providers offered 10 T Level qualifications, seven for the first time that year. T Level students are considered to have stayed on their course when they have received grades for their core course component (covering sector knowledge and skills) and occupational specialism or specialisms (covering specialist content or industry-specific skills) in summer 2023.

Source: National Audit Office analysis of Department for Education data

Costs and benefits

Costs

2.10 As at December 2024, DfE expects to have spent £1.25 billion on T Levels by the end of 2024-25. It has explored different cost scenarios beyond this, though as at March 2025 was awaiting the outcome of the 2025 Spending Review before it confirms its future budgets. The £1.25 billion cost comprises:

- £694 million programme costs, made up of £171 million for DfE's and Institute for Apprenticeships and Technical Education's (IfATE's) programme delivery (**Figure 6** overleaf) and £523 million to providers covering one-off costs to help introduce qualifications and ongoing funding to pay teacher salaries and awarding organisations so they can offer T Levels;
- £520 million capital funding, consisting of one-off payments for providers to invest in buildings, facilities and equipment; and
- £33 million administration costs.

2.11 DfE's estimate of £1.25 billion is £688 million less than it expected in June 2021, largely because of fewer student numbers (**Figure 7** on page 29). The largest forecast cost decreases comprise:

- DfE's support for industry placements, which reduced from £102 million to £13 million (88%), because of student numbers and its decision to prioritise other parts of the programme;
- funding for providers to offer students' additional learning hours and industry placements, which reduced from £432 million to £220 million (49%), because of student numbers; and
- funding providers for capital projects and specialist equipment to support the expansion, which reduced from £833 million to £496 million (41%), given student numbers.

Provider delivery funding

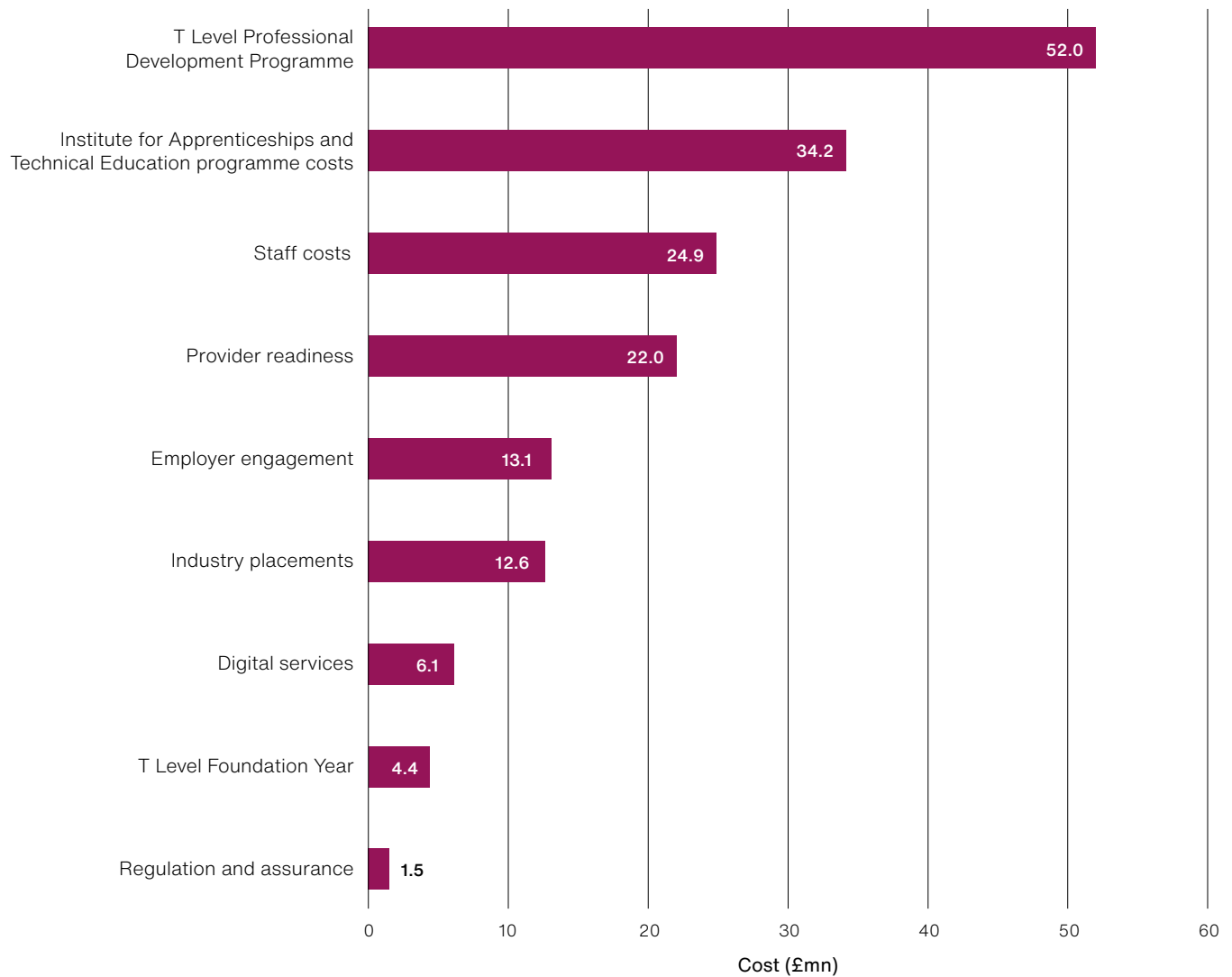
2.12 By the end of 2024-25, DfE expects to spend £268 million in one-off payments to providers, 51% of its funding to providers. This is mainly through the Capacity and Delivery Fund (£253 million), launched in 2018-19 to help providers develop their capacity and capability to offer industry placements. It also launched an Early Adopter Fund to help providers deliver high-quality courses, with DfE having spent £15 million by the end of 2020-21.

Figure 6

The Department for Education’s (DfE’s) forecast T Level programme costs, by category, between 2019-20 and 2024-25, as at December 2024

DfE expects to spend around £171 million on programme delivery by March 2025

Cost category



Notes

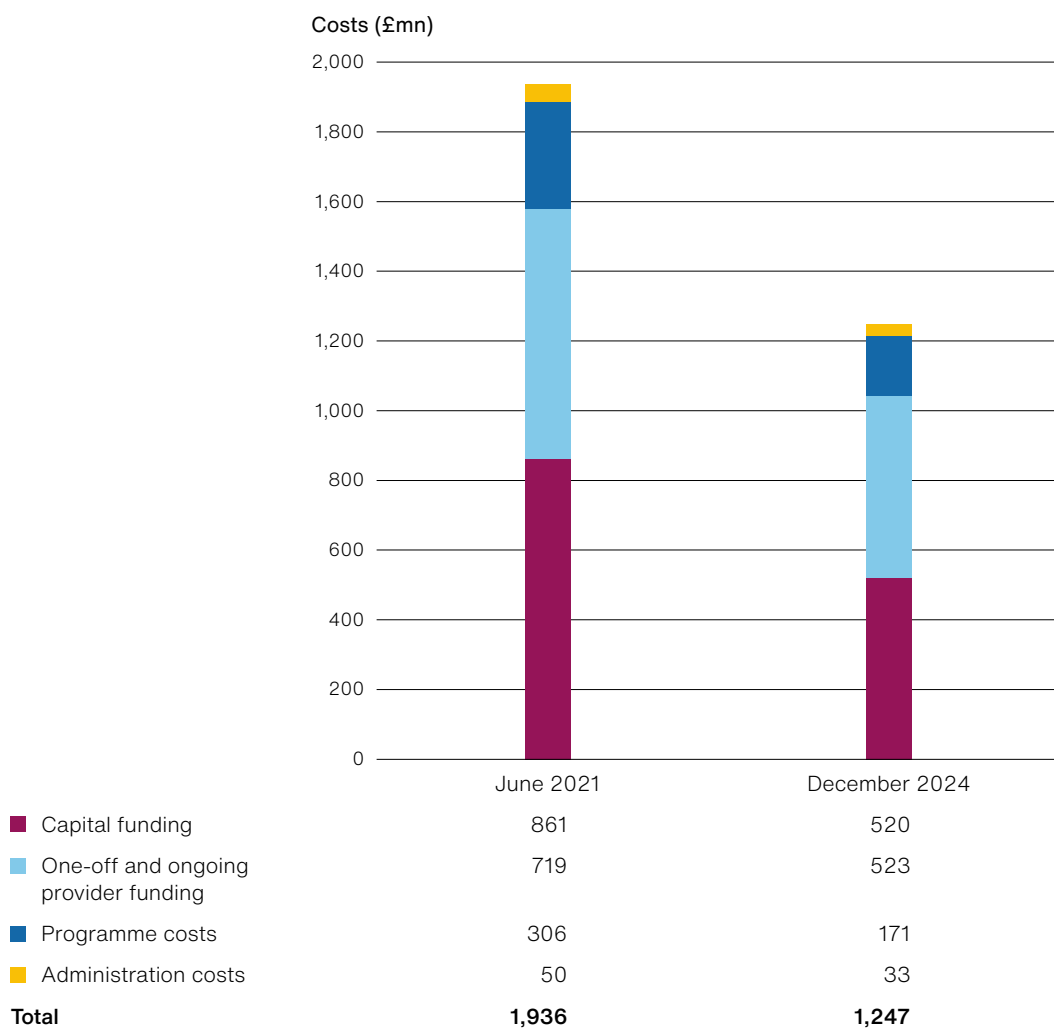
- 1 This figure includes DfE’s actual costs between 2019-20 and 2023-24, and forecast costs in 2024-25, as at December 2024. Figures are in nominal terms and may not sum due to rounding.
- 2 The T Level Foundation Year provides additional support to those students needing more time and preparation before progressing to a T Level.
- 3 Industry placements costs relate to DfE’s support for providers rolling out industry placements, and includes grant funding so providers can support employers with the cost of offering industry placements.
- 4 The T Level Professional Development Programme provides development opportunities to staff within providers preparing for or delivering T Levels.
- 5 We did not audit DfE’s analysis.

Source: National Audit Office analysis of Department for Education financial data

Figure 7

Comparison of the Department for Education's (DfE's) forecast T Level costs from 2019-20 to 2024-25, as at June 2021 and December 2024

In June 2021, DfE expected to spend around £1.94 billion through to 2024-25, which reduced to around £1.25 billion in its December 2024 estimate

**Notes**

- 1 DfE's June 2021 costs are from its programme business case. DfE's December 2024 costs are from its programme finance data.
- 2 Capital costs include: funding for providers for capital projects and specialist equipment; the T Level Professional Development Programme; and digital services design and development costs.
- 3 Figures are in nominal terms and totals may not sum due to rounding.
- 4 We did not audit DfE's analysis.

Source: National Audit Office analysis of Department for Education financial data

2.13 In terms of ongoing costs, DfE expects to spend £255 million by the end 2024-25. T Levels have higher per-student national funding rates compared with other level 3 qualifications, largely given DfE's design of the qualification and the additional hours involved. On average, T Levels available from September 2024 involve between 1,330 and 1,680 expected learning hours across two years. DfE identified in December 2023 that across broader study programmes available for 16- to 19-year-olds (including A levels), on average it provides funding for around 640 hours per year, or 1,280 hours over two years.

2.14 Providers receive T Level funding in addition to their core funding for 16- to 19-year-olds. T Level funding bands range from between around £11,100 to £14,100 across both study years (corresponding to a range of around £5,500 to £7,000 for the 2024/25 academic year), depending on the size of the course.¹² In 2023/24 and 2024/25, DfE increased providers' funding ranges by 10% to support their transition from other qualifications. These rates also include funding for providers to help DfE meet its broader policy objectives relating to disadvantaged students and those with higher needs, and to improve students' attainment in English and maths. DfE also allocates providers funding to support their planning, delivery and monitoring of industry placements (£550 per student). **Figure 8** sets out DfE's actual funding for providers between 2018-19 and 2023-24 and expected funding in 2024-25. When actual student numbers are lower at a later point in the academic year, DfE will recover some funding from providers.

Provider capital funding

2.15 DfE has allocated providers capital funding to help establish high-quality facilities and industry-standard equipment. This has been done through the following:

- **Buildings and Facilities Improvement Grant** for providers to invest in facilities and buildings that are in a poor condition or unsuitable. As at November 2024, DfE had allocated around £277 million of this grant funding across 165 providers.
- **Specialist Equipment Allocation (SEA)** where all providers receive a one-off payment, based on the T Levels they offer and expected student numbers to buy equipment. As at November 2024, DfE had allocated £232 million across 365 providers.

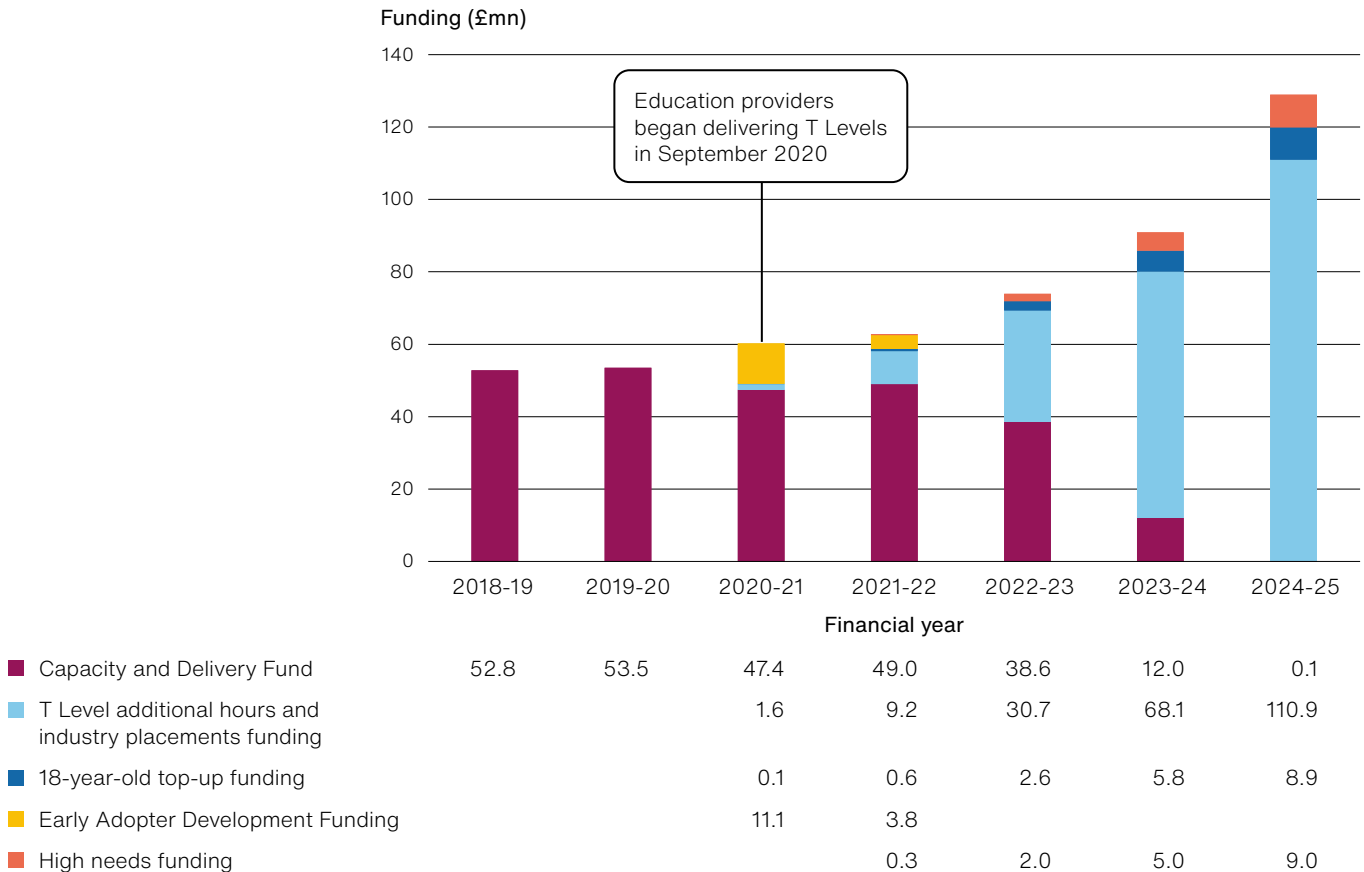
2.16 Evaluations commissioned by DfE between March 2023 and March 2024 identified positives associated with how providers had used capital funding. These included most facilities and equipment being suitable, aligning with industry standards, and giving students access to modern technology. However, some providers cited concerns over maintenance and replacement costs for specialist equipment, particularly IT-related equipment.

¹² Across other study programmes for 16- to 19-year-olds, DfE's highest annual funding rate available is around £4,800 for students undertaking study programmes involving 580 learning hours or more.

Figure 8

The Department for Education's (DfE's) T Level funding to providers from 2018-19 to 2024-25, as at December 2024

By 2024-25, DfE expects to have given providers **£573 million** to help them offer T Levels

**Notes**

- 1 Data for 2018-19 to 2023-24 reflects actual funding. Data for 2024-25 reflects forecast funding.
- 2 DfE's Capacity and Delivery Fund aimed to help providers build their capacity and capability to provide industry placements. Funding declined from 2022-23 as additional hours and industry placements funding, which includes £550 per student for industry placements, increased.
- 3 DfE's Early Adopter Development Funding aimed to help providers develop high-quality courses.
- 4 Figures are in nominal terms and may not sum due to rounding.
- 5 We did not audit DfE's analysis.

Source: National Audit Office analysis of Department for Education financial data

Benefits

2.17 DfE has identified four potential benefits associated with T Levels, with detailed plans setting out how it will achieve and monitor them (**Figure 9**). In March 2024, the IPA commented favourably on DfE’s work to identify and track benefits and the “line of sight” from strategic objectives through to outcomes, outputs and performance metrics. DfE developed an evaluation strategy setting out how it would analyse the effectiveness of the T Level programme. It has gathered information from a range of sources to evaluate the programme including Ofsted’s thematic review. DfE plans to complete an impact evaluation measuring T Level students’ outcomes. In June 2024, it expected to finalise this in mid-2025 when outcomes data would become available for students completing their T Level in summer 2022.

2.18 Given the early stages of implementation, DfE cannot yet measure all benefits to assess whether T Levels are achieving their aims. For example, as at June 2024, it was not yet monitoring employers’ feedback due to difficulties identifying a robust evidence source. It is also using alternative evidence for some measures, such as student outcomes. DfE will use student surveys to understand students’ progression and whether a T Level has prepared them for their chosen career. Also, it is initially using students’ self-reported earnings data as T Level graduates’ earnings, from DfE’s Longitudinal Education Outcomes dataset, will start to become available from 2025-26 for students completing their T Level in summer 2022.

2.19 DfE has identified how it will monitor the economic benefits of T Levels, relative to costs, using students’ future earnings and productivity benefits for employers. In August 2023, DfE’s central estimates assumed a positive return on investment from 2024-25 (with a benefit cost ratio of £1.20:£1.00 based on 30,100 students starting a T Level). It estimated significant increases in later years as student numbers grow and DfE’s set up costs get spread over a longer period. For example, it estimates a benefit cost ratio of £8.10: £1.00 in 2027-28, based on 66,100 students starting a T Level. However, there remains uncertainty over future student numbers, and therefore the benefits.¹³

2.20 DfE has identified that the greatest value for money risk is the return on investment from T Levels not being as high as expected. DfE used assumptions to estimate potential financial benefits as, for example, at this early stage of DfE’s rollout, students’ future earnings are inherently uncertain. Its “best judgement” is that T Levels are 25% more valuable when compared with other level 3 qualifications but will get a better understanding of this uplift as the programme matures. It has assumed an additional benefit of around £23,000 for each T Level student over their lifetime (in 2019-20 prices), the approximate mid-point between the average values of a level 3 classroom-based qualification and a level 3 apprenticeship. This is based on its view that T Levels are higher quality and involve more teaching hours and an industry placement.

¹³ DfE’s analysis includes 10% reductions for optimism bias across benefits and costs and a 30% reduction in capital investment to reflect that providers may have undertaken works to improve facilities anyway.

Figure 9

Status of the Department for Education's (DfE's) planned T Level benefits, March 2025

DfE has identified four potential benefits to measure the success of T Levels and has so far identified suitable evidence for three

Planned Benefit	2029/30 target	Position as at March 2025
Benefits where DfE has agreed plans on how to measure		
Students go on to participate in level 4, 5 and 6 sustained destinations including further study, apprenticeship or skilled employment.	90% of students progress to sustained destinations.	Of T Level students starting in September 2020, 91% have progressed onto sustained destinations, according to the November 2024 Further Education Outcomes dataset.
Students report that T Levels have prepared them for their chosen progression route.	More than 80% of students 'agree' or 'strongly agree' that "my T Level has allowed me to progress to what I want to do".	Of T Level students starting in September 2021, 72% agreed that their T Level has allowed them to progress to what they wanted to do in the Technical Education Learner Survey.
T Level graduates earn more than those doing other level 3 technical qualifications in the same areas.	Not identified.	Not yet available. DfE will collect earnings data from its Longitudinal Education Outcomes dataset five years after students complete their T Level. This will only include students who progress directly into work, and not those who first enter higher education, which DfE estimates comprises 40% of the students. DfE expects earnings data to become available in 2025-26, for 2020 starters.
Benefits which DfE has yet to identify how to measure		
Employers report that T Level graduates are work-ready and have the skills needed for their businesses.	Not identified.	Not available. As at June 2024, due to difficulties identifying robust evidence, DfE was exploring a question in its Employer Skills Survey.

Notes

- 1 There are nine qualification levels, including levels 1 to 8 and entry level qualifications. Level 3 includes T Levels, A levels and advanced apprenticeships. Sustained destinations can be in education, apprenticeships or employment.
- 2 The Further Education Outcomes dataset includes data on students' progression from further education into sustained destinations. Sustained destinations can be in education, apprenticeships or employment.
- 3 The Technical Education Learner Survey asks students questions about their experience in further education. In the 2024 survey, of the 5,321 students starting a T Level in 2021, 829 students agree that their T Level has allowed them to progress to what they wanted to do.
- 4 The Longitudinal Education Outcomes dataset records data from many sources to provide information on learners' progression.
- 5 The Employers Skills Survey contains statistics on skills lacking for new and existing employees and the nature of training.

Source: National Audit Office analysis of Department for Education documents

Part Three

Providing T Levels

3.1 The Department for Education (DfE) assesses its ability to scale up T Levels as a risk, with challenges across the various aspects needed to provide T Levels. This part of the report describes aspects relating to:

- the government's contracting arrangements and oversight of organisations awarding qualifications;
- providers' (including colleges and school sixth forms) capacity to offer T Levels and industry placements; and
- how DfE is looking to increase student numbers.

Developing qualifications through employers and commercial providers

3.2 With T Levels introduced to address skills gaps and meet employers' needs, DfE has introduced employers in their development. In particular, the Institute for Apprenticeships and Technical Education (IfATE) works with employers who develop occupational standards that meet industry needs. Employer-led panels, including industry experts and representatives from education institutions, create the outline content for qualifications based on occupational standards. These panels continue to contribute to qualification specifications as they are developed by awarding organisations. Qualifications are then approved by IfATE. Awarding organisations' contractual responsibilities include continually engaging with employers (**Figure 10**).

3.3 DfE and IfATE's vision is for a well-functioning market of organisations to develop and award qualifications. To reduce prices and increase quality, several organisations would compete for contracts. However, the market of awarding organisations for T Level qualifications is limited. To bid for contracts, organisations must meet Ofqual's standards by demonstrating they have the systems, processes and resources to develop, deliver and award qualifications, and ensure their integrity and compliance with legislation.

Figure 10

Summary of awarding organisations' responsibilities under T Level contracts, as at March 2025

Awarding organisations must meet a range of contractual responsibilities**Developing qualifications and assessments**

Awarding organisations should ensure qualification content:

- enables providers to prepare students for assessments; and
- is up-to-date and validated by employers.

Awarding organisations' assessments should:

- provide reliable evidence of students' attainment; and
- set grade standards which meet employers' expectations.

Administration and support activities

Awarding organisations must:

- process applications from providers to deliver T Levels and approve these if they meet standards and expectations;
- provide ongoing support to providers to plan courses, teach content and deliver assessments;
- ensure providers correctly register students for their qualifications; and
- have a transparent process for reviewing students' marks, operate an appeals process and notify the Institute for Apprenticeships and Technical Education (IfATE) where it identifies failures.

Reporting

Awarding organisations must provide reports and management information to IfATE throughout the contract including:

- prior to IfATE's approval of qualifications, progress reports on delivery plans, risk management and consultation with employers;
- following IfATE's approval of qualifications, updates on delivery plans, risk management and performance against monthly contract key performance indicators;
- annual self-assessments of performance; and
- data on student registrations, grades awarded and appeals.

Source: National Audit Office analysis of Institute for Apprenticeships and Technical Education documents

First phase of contracts

3.4 In 2018-19, DfE managed the first round of procurements to award contracts for the first three T Levels to be available from September 2020. IfATE subsequently assumed responsibility for the remaining procurements for 19 contracts through to 2023-24. In line with the Sainsbury Review's recommendations, DfE and IfATE opted to run competitive procurements, with bidders competing on both price and quality for exclusive, national licenses to award a T Level for a fixed time. Five contracts cover four academic cohorts and will last for nine years, while 17 contracts cover five academic cohorts and will last for ten years. Awarding organisations' income would increase as student numbers grow.¹⁴

3.5 DfE recognises there are a limited number of organisations who can develop and award T Levels. To stimulate market interest ahead of its procurements, DfE – and later DfE, IfATE and Ofqual - held market engagement events and shared with prospective awarding organisations documents which included setting out the scope of the licences and qualifications, eligibility conditions and evaluation criteria. From the 22 first phase contracts, DfE and IfATE procured 19 through open competition, and received limited bids. For one contract, following two unsuccessful procurements, IfATE directly approached five potential suppliers and invited closed bids. It awarded the contract to the only provider to submit a closed bid. For the remaining two contracts, IfATE activated a step-in clause and awarded contracts through a closed bidding process to the contractor which expressed an interest after being directly approached by IfATE. Given ministers' aspirations to create high-quality qualifications credible with employers and deliverable by providers, DfE and IfATE decided to prioritise quality over costs when evaluating bids. They therefore opted to weight 80% of their evaluation on quality. DfE and IfATE selected a higher cost bid across four contracts as these scored highest for quality. Three awarding organisations are delivering contracts: City and Guilds (eight contracts); Pearson (eight) and NCFE (six).

3.6 Awarding organisations receive most of their income from providers paying a set fee for each student starting a T Level, and then additional services. They also receive income from IfATE for developing technical specifications. Across the 19 first phase contracts procured through open competition, awarding organisations assumed in their bids that provider fees would comprise an average 93% of contractual income. This was informed by estimates of student numbers provided by DfE. The awarding organisations delivering these first contracts told us they felt IfATE's approach to sharing information on student numbers lacked transparency. Two awarding organisations told us they could not challenge the assumptions. Awarding organisations were locked into the prices they had set throughout the contract. DfE told us awarding organisations had the ability to set their fees based on their understanding of financial risks.

¹⁴ This excludes IfATE's procurement of the contracts for the Catering T Level and Beauty Therapy T Level. In March 2025, DfE announced its decision not to introduce these T Levels.

3.7 The assumptions on student numbers have been inaccurate. Actual student numbers have been lower across 15 out of 16 T Levels DfE had introduced by September 2022 (**Figure 11** overleaf). This has impacted awarding organisations' contractual income, with some awarding organisations experiencing financial losses. As at January 2025, IfATE estimated that across 13 of these contracts, actual total payments relating to the first four academic cohorts of students may be between 13% and 92% lower than earlier assumptions, with seven contracts 50% or less. DfE and IfATE required bidders to demonstrate their financial standing and indicate the expected profitability of the contracts, based on the student numbers set.

3.8 IfATE does not have detailed insights into the profitability of contracts in delivery, but recognises some contracts are loss-making given low student numbers. For example, one awarding organisation told us it could not cover the costs under its contracts, making T Levels unsustainable for them. Also, NCFE disclosed a £2.5 million impairment charge in its 2023 accounts because of low student enrolments and told us it had to draw down on its financial reserves to meet contractual commitments. If a contract fails due to a contractor's poor performance or it enters administration, IfATE has step-in clauses to award contracts to a different contractor or deliver the contract itself. These mitigations have not been tested for T Levels being offered by providers.

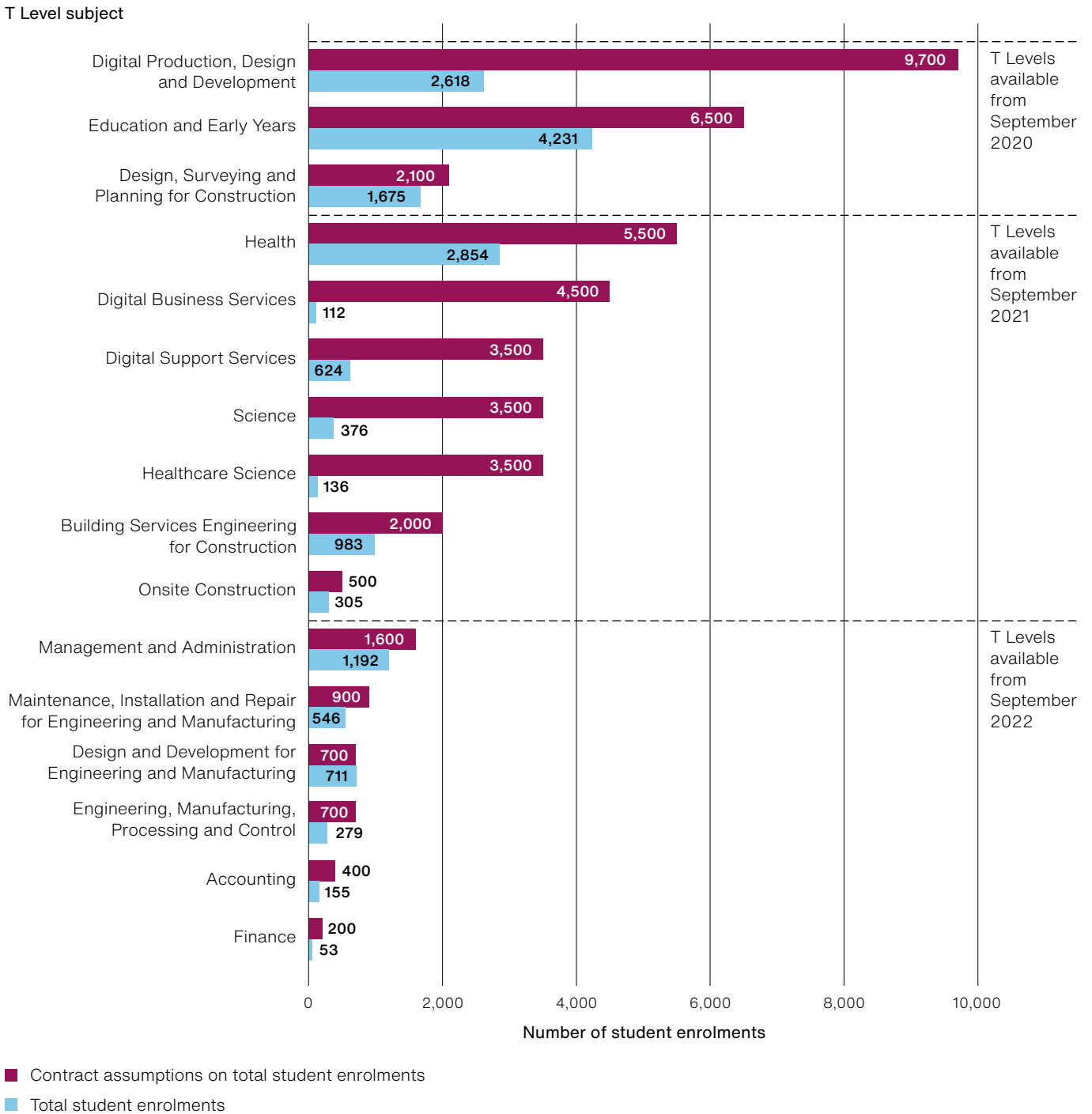
Second phase of contracts

3.9 Between February 2023 and October 2024, IfATE procured the first two sets of its second phase contracts across eight T Levels, in advance of existing contracts expiring. These covered five academic cohorts, with the potential to extend up to two years. Three awarding organisations are delivering these second-phase contracts: Pearson (six contracts, including four new contracts), NCFE (retained one of its six first phase contracts, opting not to submit bids for two of these) and WJEC (one contract, having not previously been involved). These figures exclude IfATE's procurement for both the Onsite Constuction and Healthcare Science T Levels which DfE has announced will stop for new students after September 2024 and September 2025 respectively (paragraph 1.13).

Figure 11

Student volume assumptions used by awarding organisations in their initial contracts against actual student volumes by T Level, September 2020 to September 2022

Actual student numbers have been below assumptions across 15 out of 16 T Levels introduced by September 2022



Source: National Audit Office analysis of Department for Education and Institute for Apprenticeships and Technical Education data

3.10 IfATE considers that experiences across the first contracts, alongside wider government decisions, have had a concerning impact on the market for T Levels awarding organisations. For example, it identified that the previous government's announcement of the Advanced British Standard and delays deciding which other larger overlapping technical qualifications would be defunded impacted the market's appetite. In addition, with the financial risk associated with low student numbers falling on awarding organisations, it was concerned about the market's appetite. Across its eight second-phase contracts, IfATE received proportionally fewer bids across its procurements. For example, following the retendering exercise, City and Guilds decided not to rebid for two contracts it already held.

3.11 To ensure a sufficient market of awarding organisations, and reflecting lessons learned, IfATE changed its commercial approach. This includes:

- awarding organisations working to more modest student number assumptions, with numbers in the first contract year being between 39% to 84% less than the final year of the preceding contracts. The largest decreases were across the Digital Business Services (84%) and Digital Support Services (71%) T Levels. They also assumed a more modest growth in student numbers during the contract compared with the earlier contracts; and
- introducing 'adaptive pricing'. Student volume projections within the contract would be updated, based on actual numbers, before the third year of the contract. This will allow awarding organisations to maintain their assumed percentage profit margins, set out in their bids. Where updated projections are more than 15% above the initial volumes, IfATE would calculate lower entry fees for providers, and if 15% lower, it would calculate higher entry fees which awarding organisations can decide to adjust.

3.12 Limited competitive tension in procurements can expose public bodies to high costs unless appropriately managed. Successful bidders across six procurements set their entry fees per student - which comprise 76% of estimated maximum contract values at tender stage - at higher rates than those awarding organisations charged from September 2024 in the equivalent first phase contracts, with fees increasing by between 26% and 149% (**Figure 12** overleaf). In 2024, Ofqual reported that the weighted average price for an A level was around £121, equating to around £364 for three A levels.¹⁵

¹⁵ We did not examine the comparability of fees and prices across T Levels and A levels.

Figure 12

Comparison of providers' T Level student fees to awarding organisations across the Institute for Apprenticeships and Technical Education's (IfATE's) first and second phase contracts

Across contracts which IfATE has retendered, the fees payable by providers for students starting T Levels will decrease by between 18% and 37% across two contracts, and increase by between 26% and 149% across six

T Level awarding organisation contract	Fee per student – first phase contracts	Fee per student – second phase contracts	Percentage change in fee per student
	(£)	(£)	(%)
Design, Surveying and Planning for Construction	536	337	-37
Digital Production, Design and Development	260	214	-18
Building Services Engineering for Construction	315	395	26
Science	158	272	73
Health	129	247	91
Digital Support Services	174	345	98
Education and Early Years	151	375	148
Digital Business Services	146	362	149

Notes

- 1 DfE and IfATE contracted awarding organisations to develop T Level qualification content and assessments. This figure only includes information for first phase contracts where IfATE has procured second phase contracts, as at March 2025.
- 2 The first phase contracts are those which government let for the first time. DfE managed the first phase procurements for the following contracts where teaching began in September 2020: Design, Surveying and Planning for Construction; Digital Production, Design and Development; and Education and Early Years. IfATE managed the remaining first phase procurements where teaching began in September 2021. This figure reflects awarding organisations' fees per student which applied from September 2024 across the first phase contracts.
- 3 The second phase contracts are those which IfATE has re-tendered ahead of first phase contracts expiring. Teaching will begin under these contracts in September 2025 for six T Levels: Design, Surveying and Planning for Construction; Digital Production, Design and Development; Education and Early Years; Building Services Engineering for Construction; Digital Support Services; and Digital Business Services. Fees for these contracts reflect values IfATE has agreed with awarding organisations through its procurements. For the remaining contracts, teaching will begin in September 2026. IfATE expects to apply uplifts to these fees at a rate no higher than inflation, as measured by the Consumer Prices Index.
- 4 This figure excludes IfATE's procurement for the Onsite Construction T Level contract. In December 2024, DfE announced that this T Level would cease after students starting in September 2024. It also excludes IfATE's procurement for the Healthcare Science T Level contract. In March 2025, DfE announced that this T Level would cease after students starting in September 2025.

Source: National Audit Office analysis of Institute for Apprenticeships and Technical Education data

3.13 Revised contracts may lead to providers facing higher costs, through student entry fees, if numbers are lower than expected. Providers will need to decide if they are able to pay if fees increase. IfATE told us it had assumed providers could meet higher fees through existing funding. In seeking approval from DfE and HM Treasury for its current approach, it outlined the theoretical impact on a provider's fees where student volumes are 20% higher or lower than expected in a single contract. IfATE did not identify risks to providers' financial sustainability in its procurement business cases. However, it told us that it considers this risk would be mitigated through awarding organisations not seeking to increase fees, should this lead to providers not offering T Levels and limiting their revenue further. IfATE told us it considers learner fees represent a small proportion of funding providers receive for T Level students.

Contract management and regulation

3.14 In line with good practice and government guidance, IfATE oversees whether awarding organisations meet their contractual responsibilities, which includes providing detailed regular performance information. It considers that it needs to take a robust contract management approach, which should be revisited throughout the contract, given the contracts' complexity and risks. The awarding organisations we spoke to told us they felt IfATE's reporting requirements for T Levels were more extensive than similar qualifications, burdensome given their detail and frequency, and not always adding value. Some awarding organisations described further delivery challenges, particularly around them engaging employers to validate the technical qualifications, as in some instances they disagreed with those employers working with IfATE making the process unnecessarily complex. This risked making qualifications unnecessarily expensive. IfATE has processes to update qualification content, where evidence supports this.

3.15 Awarding organisations also noted a lack of co-ordination between IfATE and Ofqual, creating repetition and additional burden. A Memorandum of Understanding between IfATE and Ofqual, first produced in 2018 and updated in 2024, noted the organisations' commitment to work together and share information. The cited benefits included allowing both to meet their regulatory and statutory responsibilities while supporting awarding organisations by reducing their regulatory burden and duplication of effort. However, awarding organisations told us that, given their different remits and objectives, the two bodies could have differing perspectives and conflicting views. In March 2023, an internal review recommended the bodies, alongside DfE, agree and more clearly communicate their roles and responsibilities internally and externally.

3.16 Through their contract management and regulatory oversight, IfATE and Ofqual have intervened to respond to service failures. Following complaints from students and providers primarily relating to NCFE's core examination assessment for the Health T Level in summer 2022, Ofqual required NCFE to recalculate results for this and the Healthcare Science and Science T Levels. In recalculating, NCFE selected students' highest assessment marks leading to improved results for 707 students. Ofqual found NCFE had failed to issue fit for purpose question papers, ensure assessors were trained, and follow procedures for developing question papers. IfATE imposed conditions on NCFE to improve its performance, including its capacity and capability to deliver and mark assessments, and submitting results on time. NCFE notified Ofqual of further failures in its assessments for the Health T Level in June 2023. In July 2024, Ofqual imposed a £300,000 penalty on NCFE. NCFE committed to address the failures identified. IfATE subsequently identified improvements in NCFE's leadership, the quality of its reporting, and project and risk management. There were no significant issues identified with NCFE's assessments in 2024.

Supporting providers to offer quality teaching and industry placements

3.17 Providers play a critical role in ensuring there are enough T Level teaching staff with the right expertise, industry-standard facilities, specialist equipment, and industry placements for all students. In 2018, the then Chancellor announced a capital fund to help providers build or develop facilities and purchase specialist equipment (paragraph 2.15). DfE seeks to understand provider perspectives through conversations and surveys. Providers have raised issues around low awareness of T Levels and lack of confidence in progression opportunities, and challenges recruiting specialist teachers. As at December 2024, 64 providers had deferred delivering T Levels by at least one year since its introduction.

3.18 DfE expects providers to take a different teaching approach for T Levels compared with other level 3 qualifications, given their size, rigour and industry placement. Although needing to meet the high quality expected across all teaching, some T Level content is more complex and demanding than similar courses and requires teachers with the necessary experience and expertise. Recruiting T Level teachers, places further pressure on providers, who already face recruitment and retention challenges. DfE research, in July 2024, found many colleges were struggling to recruit suitable teaching staff, particularly for T Levels relating to digital and engineering, given: competition with industry; the need for specialist qualifications; and staff needing to upskill to teach the curriculum.

3.19 DfE introduced the T Level Professional Development Programme in 2019 to support teachers. Delivered by the Education and Training Foundation (ETF), it aims to help them develop the skills and subject knowledge needed through training, mentoring and industry collaboration. DfE expects to have spent £52 million on the programme by 2024-25, 30% of its £171 million programme costs. It has extended the programme contract with ETF by two years, to August 2026, to help a larger number of smaller providers who may have limited experience delivering technical qualifications or limited links with employers. In 2023, an evaluation found that 84% of senior leaders and 52% of other leaders, such as department heads or curriculum leads, were satisfied with the programme. As of April 2024, the T Level Professional Development Programme has supported over 25,500 teachers.

3.20 DfE has assessed not having enough industry placements as one of the highest risks ('amber/red' rating) to scaling up the programme. However, in March 2025 it reduced its assessment of there not being enough placements in year to 'amber/green'. This followed, in January 2025, findings from a survey of 216 providers that 637 (around 5%) of students starting T Levels in September 2023 (and finishing summer 2025) did not have a placement (compared to around 8% (593) for September 2022 starters the year before). Of those students completing a T Level in summer 2024, 98% had undertaken an industry placement. DfE has introduced various initiatives including:

- creating more flexibility, from January 2025, such as through students being able to complete up to 20% of their placement hours remotely (50% for Digital T Levels) making it easier for employers and providers to participate;
- working with other government organisations to consistently offer placements. DfE has identified specific barriers relating to health organisations and is aiming to increase industry placements by supporting coordinators in seven NHS Integrated Care Systems; and
- improving employers' understanding of T Levels through a network of ambassadors, which has over 800 members that include businesses, providers and students, who promote T Levels and technical education to employers and young people.

Previously, to increase the availability of placements, between May 2021 and July 2022 DfE offered employers a £1,000 'cash boost' incentive for every student hosted. It subsequently provided, in 2023-24, support with employers able to claim up to £25,000 to cover the costs of hosting a placement. DfE no longer provides this direct funding.

3.21 Looking ahead, providers will need to ensure increasing numbers of students can complete a placement, a mandatory part of their T Level. They must: engage with employers to identify placements; conduct checks on employers and help them design placements; make students aware of opportunities and support them; and coordinate placements. In 2023, DfE estimated that, based on employer survey data, there could be around 6,500 students per year without an industry placement in 2027/28. DfE has identified barriers, including: providers' capacity to find and oversee placements; a lack of employers offering placements; and competition for placements across providers. Survey data from providers in 2024 reported challenges identifying placements across its T Levels relating to health, engineering, construction and digital. Providers may need to recruit additional staff to provide placements. Providers currently receive £550 funding, per student, for placements. DfE has highlighted evidence showing the cost of an industry placement to be higher.

3.22 To increase industry placements DfE has described reviewing its relationships with Local Skills Improvement Plans (LSIPs), to strengthen relationships between providers and employers, as they did not focus strongly on T Levels. LSIPs, established in 2023, aim to improve working between employers, providers and local stakeholders which can help ensure technical education meets local labour market needs.¹⁶ In its December 2024 devolution white paper, the government reiterated the role of LSIPs.¹⁷ It described employer representative bodies and strategic authorities taking joint ownership of LSIPs to help young people undertake training and education that leads to good employment opportunities. The providers we spoke to reported mixed views on engaging with LSIPs and their effectiveness. The Confederation of British Industry, representing around 190,000 businesses, has welcomed T Levels to fill skills gaps but feel the qualification has struggled to gain full buy-in from employers.

3.23 T Level provision needs to be of sufficient quality to ensure students develop the required skills and the planned economic benefits are realised. The IPA recognised concerns balancing DfE's ambitions for quality against its student enrolment ambitions. DfE commissioned Ofsted to carry out a focused review, published in 2023. Ofsted concluded that T Levels had been implemented with varying success, and that the quality and effectiveness of courses could be improved. T Levels could combine high-quality study with developing practical skills, but many students reported being misled about their content and Ofsted found that the quality of industry placements varied. Ofsted also reported that on some T Level courses, teachers and students were concerned about the amount of assessment and appropriateness of assessment methods. Teachers were also concerned about the high volume of content in T Level courses. DfE has described responding to these findings through, for example, its communications campaign, employer engagement strategy and working with Ofqual and IfATE to ensure assessments are manageable. Ofsted has not conducted a follow-up review but seeks to identify good practice and areas for improvement across its routine inspections, finding this varies across providers.

¹⁶ Local Skills Improvement Plans (LSIPs) are developed and managed by employer representative bodies. As of September 2024, there are 38 LSIPs.

¹⁷ Ministry of Housing, Communities & Local Government, *English Devolution White Paper Power and Partnership: Foundations for Growth*, white paper, CP 1218, December 2024.

Increasing student numbers and course satisfaction

3.24 DfE has assessed significant risks to expanding T Levels. In late spring 2024, DfE spoke to 253 providers with nearly half (45%) reporting challenges such as courses having low student numbers. Some providers reported postponing or cancelling certain T Levels. DfE, and wider stakeholders, have identified various factors negatively impacting student numbers including:

- **Awareness of T Levels across students, parents/carers, and employers when compared to other qualifications.** Providers and stakeholders are concerned students and parents have limited knowledge of how T Levels work. In 2023, Ofsted reported that not all students receive accurate information from schools about courses, affecting their ability to make informed decisions. In October 2024, DfE assessed a critical and likely risk that awareness and understanding of T Levels would be too low and impact its ability to scale-up.
- **Appeal of T Levels.** The academic focus, complexity, industry placement demands, and lengthy assessment process may deter some students. Also, student and parent views describe having to choose a specialism at 16 years, narrowing future career opportunities, and not all higher education institutions recognising T Levels as challenges. DfE identified that disadvantaged students could be concerned by the travel costs associated with T Levels, and the proposed Advanced British Standard qualification created uncertainty.
- **Prior attainment.** Schools and colleges set their own T Level entry requirements, which can vary, but most require students to have achieved at least five GCSEs at grade 4 or above. The two provider representative bodies we spoke to raised concerns around students' suitability for T Levels, indicating the need to more clearly define the target cohort of students and potential uptake, and make T Levels more accessible by streamlining their content and assessments. Since 2021, DfE no longer requires students to have a grade 4 English and maths GCSE, or level two in functional skills, to pass their T Level.
- **Fewer students progressing to a T Level from the T Level foundation year.** DfE intended the foundation year to provide some students, such as those who would benefit from extra study time, additional support before progressing to a T Level. DfE gives providers a framework, setting out course expectations, so providers can tailor these courses. In 2020/21, 90% of the 783 students who started the first foundation course completed the year, with 15% of those completing progressing onto a T Level. For the second year, 85% of the 3,194 starting the course completed, from which 8% progressed onto a T Level. DfE is monitoring how the foundation year supports students in completing a T Level.

3.25 Awareness of T Levels among students in years 9 to 11 has increased from 8% in 2019 to 50% in 2023.¹⁸ To increase student uptake, DfE has undertaken a range of initiatives which include national awareness campaigns. In 2019, DfE ran a T Level specific campaign, *NexT Level* before introducing the first T Levels in 2020. More recently, in 2024, DfE launched *Skills for Life: it starts with skills*. DfE had initially planned a dedicated national T Level campaign, but subsequently ran this more generic skills campaign given Cabinet Office regulations and DfE-commissioned research finding too many campaigns could create confusion over the qualifications available. DfE also introduced T Level celebration week, continues to promote T Levels, and is seeking to improve higher education providers' understanding and recognition of T Levels. In November 2024, DfE published a list of 166 higher education providers that accept T Levels for at least one course.

3.26 DfE has sought to understand students' experiences through surveys looking at wider technical education reforms, including T Levels. The latest data, from students starting T Levels in September 2020 (the first year available) and September 2021 shows that, at both the end of their first and second years, their satisfaction differs across T Levels (**Figure 13**). For example, those studying Education and Early Years in its first year were more satisfied (85% satisfied at end of year one, and 79% at end of year two) compared with those studying health and science-related T Levels in its first year (41% and 39% at the end of years one and two respectively). DfE felt this may have reflected issues with the course assessments. In July 2024, Ofqual issued a fine to the organisation awarding these T Levels following concerns, identified by students and the awarding organisation, which they have committed to address (paragraph 3.16). Students starting in 2021 were generally less satisfied than those starting in 2020 reporting, for example, lower levels of satisfaction with employer contact, assessments, and overall management of T Levels.¹⁹ They were more positive about their industry placements, and how they developed practical skills and knowledge of occupational areas (**Figure 14** on pages 48 and 49).

3.27 To address student retention, DfE is improving careers advice and working with IfATE and awarding organisations to monitor student retention and ensure that teaching and learning materials are supportive. DfE funds the Apprenticeship Support & Knowledge Programme, delivered by the Careers and Enterprise Company to raise awareness of T Levels. The Careers and Enterprise Company's network of careers hubs also promotes T Levels. DfE also uses its published annual T Level action plans, aimed at providers, employers and local authorities, to update on efforts to encourage uptake and its future plans.

¹⁸ In summer 2019, 1,072 students in years 9 to 11 were asked "T(technical) Levels are new 2-year courses that will be introduced from September 2020. Each T Level qualification will be equivalent to 3 A Levels. T Levels will offer students a mixture of classroom learning and work experience to prepare learners for employment. Before this survey, had you heard of T Levels?" In summer 2023, 1,227 students in years 9 to 11 were asked whether they had heard of T Levels.

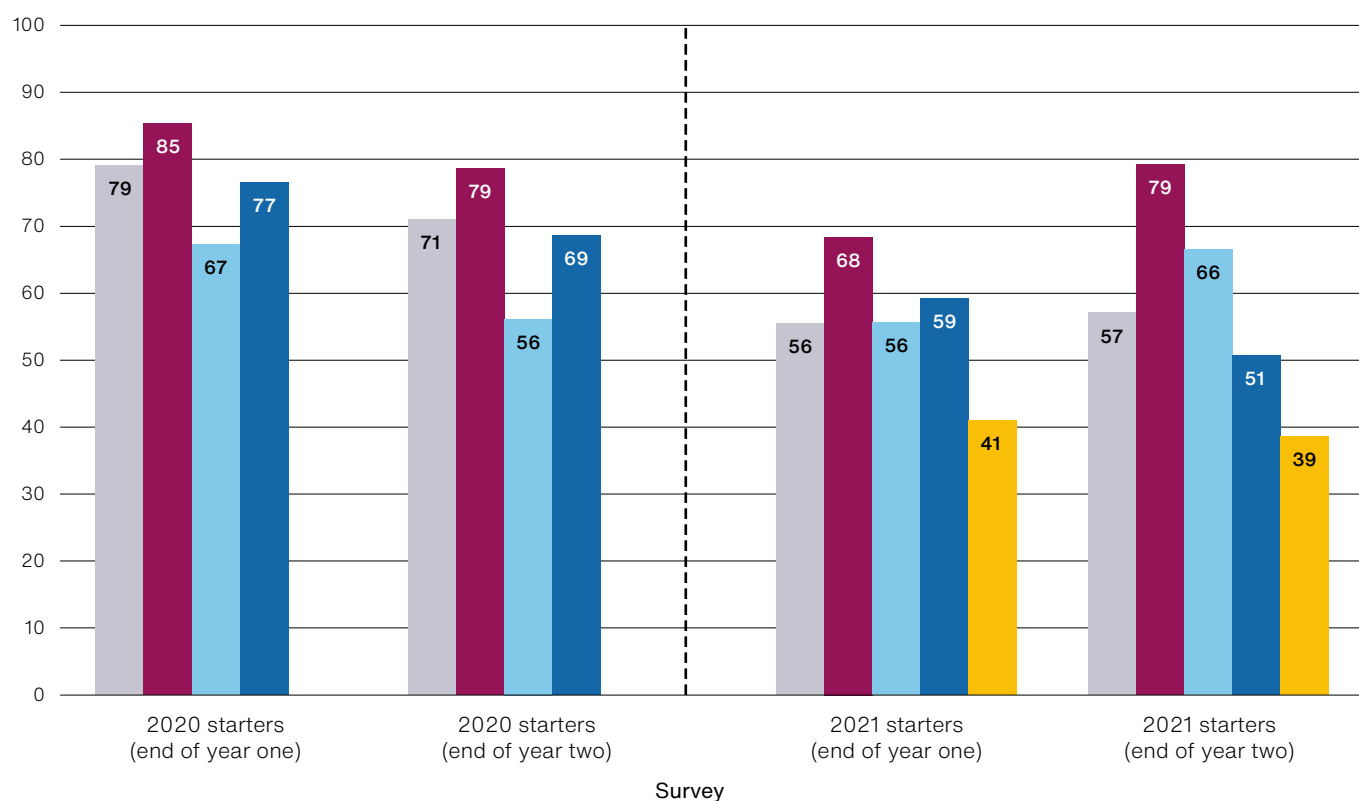
¹⁹ Some students who completed their qualification in summer 2022 received teacher-assessed grades for their core component (covering sector knowledge and skills).

Figure 13

Proportion of T Level students starting in September 2020 and September 2021 who reported satisfaction with their courses at the end of their first and second years

Students studying health and science related T Levels were less satisfied than those studying Education and Early Years

Proportion of students satisfied (%)



- Education and Early Years
- Construction
- Digital
- Health and Science
- Average

Notes

- 1 Figures are sum of “very satisfied” and “quite satisfied” responses to the question “How satisfied with your course are you overall?”. Responses included: “Very satisfied”, “Quite satisfied”, “Neither satisfied nor dissatisfied”, “Quite dissatisfied” and “Very dissatisfied”.
- 2 Respondent numbers for each survey comprised:
 - 2020 starters (end of year one): Education and Early Years: 415; Construction: 142; Digital: 248 (total: 805);
 - 2020 starters (end of year two): Education and Early Years: 306; Construction: 95; Digital: 183 (total: 584);
 - 2021 starters (end of year one): Education and Early Years: 659; Construction: 373; Digital: 593; Health and Science: 763 (total: 2,388); and
 - 2021 starters (end of year two): Education and Early Years: 403; Construction: 212; Digital: 355; Health and Science: 433 (total: 1,403).
- 3 The following T Levels have been grouped by subject area. Construction includes: Building Services Engineering for Construction; Design, Surveying and Planning for Construction; and Onsite Construction. Digital includes: Digital Business Services; Digital Production, Design and Development; and Digital Support Services. Health and Science includes: Health; Healthcare Science; and Science.

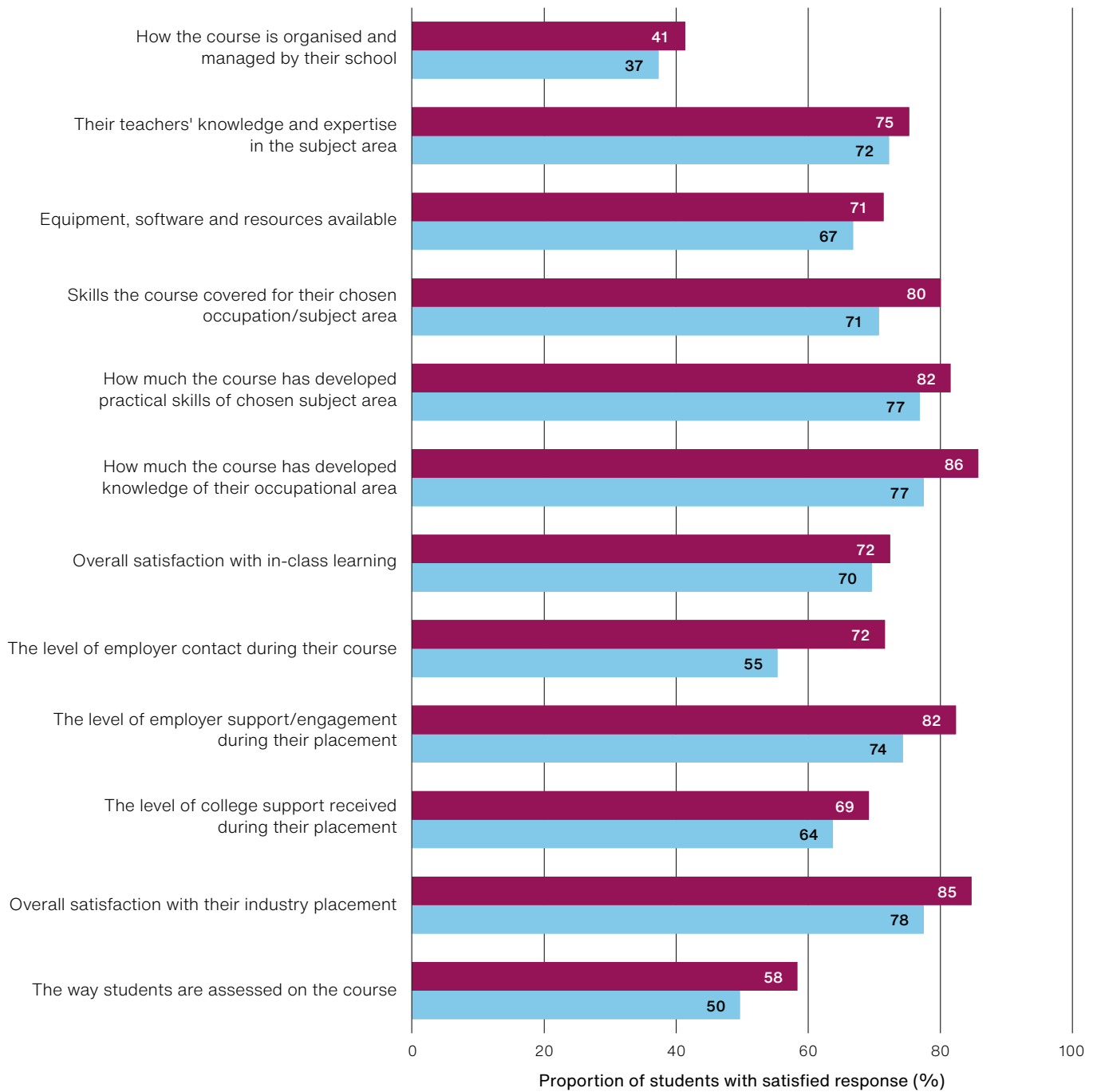
Source: National Audit Office analysis of Technical Education Learner Survey data

Figure 14

Proportion of T Level students satisfied with select areas of the course, 2020 and 2021 starters at the end of their course

Students starting in 2021 were generally less satisfied than those starting in 2020

Survey question area



■ 2020
■ 2021

Figure 14 *continued*

Proportion of T Level students satisfied with select areas of the course, 2020 and 2021 starters at the end of their course

Notes

- 1 This figure sets out students' satisfaction with different areas of their course at the end of their first and second year of study. Responses have been combined to represent the proportion of students with satisfied responses. This includes:
 - Questions examining employer and college support during industry placements combine "Strongly agree" and "agree" responses.
 - Questions examining the extent of improvement in knowledge of occupational areas and practical skills for subject areas combine "A great deal" and "quite a bit" responses.
 - Other questions combine "very satisfied" and "quite satisfied" responses.
- 2 Respondent numbers varied across survey years and questions: 2020 starters (end of year two): 555-586; 2021 starters (end of year two): 1,317-1,405.
- 3 This figure represents 12 of the 13 satisfaction-related survey questions for 2020 starters and 12 of the 15 satisfaction-related survey questions for 2021 starters.
- 4 Survey data for 2020 captures students who had undertaken Education and Early Years, Construction and Digital T Levels. Survey data for 2021 captures students who had undertaken Education and Early Years, Construction, Digital, and Health and Science T Levels.
- 5 As at March 2025, survey data covering T Level students at the end of their course was only available for the 2020 and 2021 cohorts.

Source: National Audit Office analysis of Technical Education Learner Survey data

Appendix One

Our investigative approach

Scope

1 This report provides an overview of the Department for Education's (DfE's) progress in rolling out T Levels, a level 3 qualification launched in September 2020, which aims to:

- improve technical education and progression opportunities for students; and
- better meet the skills needs of employers to address the national skills shortage.

2 This investigative report describes the current position of the programme and how DfE has developed its approach to implementing T Levels, including:

- how the demand for T Levels has changed over time and students' progression;
- the roles and responsibilities of organisations involved in the development and delivery of T Levels;
- DfE's progress introducing the various aspects needed for T Levels, such as developing qualifications, broadening awareness and supporting providers, including colleges and sixth forms; and
- DfE's and the Institute for Apprenticeships and Technical Education's (IfATE's) commercial approach to contracting organisations to develop and award qualifications.

3 This report has not been designed to examine and report on value for money. Our findings are based on evidence we collected between October 2024 and March 2025.

Methods

4 In examining these issues, we drew on a variety of evidence sources, including interviews with government departments and stakeholders, document review and data analysis.

Interviews

5 We carried out 10 interviews with key staff in DfE, two of which included staff in IfATE, to establish an overview of the programme. Interview topics included:

- progress in delivering the T Levels programme, and governance and risk management arrangements;
- working and engaging with providers, employers and other organisations to develop and provide T Levels;
- engagement with students and families, including through contracted providers;

- DfE's understanding of student demand for T Levels and its levers to stimulate demand and the availability of places;
- commercial arrangements for IfATE's contracts with awarding organisations;
- funding the programme and providers; and
- DfE and IfATE's understanding of quality in curriculum content, teaching and industry placements.

6 We carried out 13 interviews with wider individuals and teams having experience or knowledge of T Levels including:

- representative bodies such as the Association of Colleges, Federation of Awarding Bodies and Sixth Form Colleges Association;
- three providers (Worcester Sixth Form College, Bodmin College and Harrow, Richmond and Uxbridge College); and
- four awarding organisations (City and Guilds, Pearson, NCFE, and WJEC).

7 We selected these stakeholders due to their role or understanding of T Levels rather than to form a representative sample. Interviews covered a range of topics, including: the variability of experiences across providers; the main challenges with T Levels; the support provided by DfE; awarding organisations' experiences of IfATE's procurements and contract delivery; quality of curriculum and assessment; funding; and engagement with employers.

8 We held interviews virtually and in-person, and took a note of each interview to help draw out common themes.

Document review

9 We reviewed more than 300 documents from DfE and IfATE to understand the T Level programme and how it had evolved. This included documents relating to:

- benefits realisation and key performance indicators;
- programme business cases and approvals;
- DfE's economic appraisal for the programme;
- awarding organisation procurement business cases;
- commercial tender documentation;
- awarding organisations' contractual responsibilities;
- IfATE's approach to contract management and assurance, and specific interventions following Ofqual's regulatory actions set out in paragraph 3.16;
- DfE's methodology for its model to estimate student numbers;
- programme dashboards;
- reviews and surveys of, for example, providers and students;
- communications and marketing campaigns;
- approach to employer engagement;
- industry placements; and
- scaling up and the programme reset.

10 We reviewed documents from other bodies to widen our knowledge of lessons learned and challenges associated with T Levels, including the Infrastructure and Projects Authority (IPA).

11 We reviewed publicly available documents, including the T Level action plans; funding guidance; Ofsted's thematic review of T Levels; the Education Policy Institute's report on T Levels access and progression; and the Education Select Committee's report on post-16 education.

Data analysis

12 We analysed publicly available data published by DfE on students' attainment and satisfaction including:

- Technical Education Learner Surveys, covering overall satisfaction rates and satisfaction of specific aspects for students who started their courses in 2020 and 2021. These data were the most up to date at the point of publishing this report;
- student attainment and retention rates across T Levels and other level 3 qualifications, including A levels and large vocational technical qualifications; and
- Further Education Outcomes dataset.

13 There are challenges associated with comparing attainment and satisfaction rates over time as DfE remains in the earlier phases of its rollout of this new qualification. In addition, it has introduced T Levels in phases. Throughout our report, we have included wider contextual information, such as on when certain T Levels were introduced and the number of student cohorts who have undertaken T Levels at different points in time.

14 We reviewed DfE's data on actual costs incurred between 2018-19 and 2023-24 and estimated costs through to 2024-25, as at December 2024. We did not audit DfE's analysis. We issued requests to DfE to understand the reasons for decreases between its June 2021 and December 2024 estimates, as well as requests to clarify what is included in different cost lines.

15 To understand the awarding organisation market's response to DfE and IfATE's procurements we analysed procurement data, including income assumptions which we compared with IfATE's actual and forecast payments data. We relied on IfATE's management information and did not reconcile data back to documentary evidence. We also compared DfE's assumptions on student numbers across different T Levels, which bidders' used to inform their pricing, against data on actual student numbers between 2020/21 and 2022/23.

16 We compared DfE's estimates of student numbers over time. DfE's estimates in May 2021 and January 2022 are single-point estimates. DfE's November 2022, August 2023 and October 2023 are central estimates. At the point of finalising our report, DfE's October 2023 estimate remained its most recent estimate. We drew on DfE's model documents to understand how it improved its estimates over time. We did not audit these models.

This report has been printed on Pro Digital Silk and contains material sourced from responsibly managed and sustainable forests certified in accordance with the FSC (Forest Stewardship Council).

The wood pulp is totally recyclable and acid-free. Our printers also have full ISO 14001 environmental accreditation, which ensures that they have effective procedures in place to manage waste and practices that may affect the environment.



National Audit Office

Design and Production by NAO Communications Team
DP Ref: 016022-001

£10.00

ISBN: 978-1-78604-604-8