

Government Consultation on Post-16 Qualifications – Edge Response

Introduction

1. The Edge Foundation is an independent education charity dedicated to shaping the future of education in the UK. We believe that a coherent, unified and holistic education system can support social equity and enable all young people to fulfil their potential.
2. Our extensive work on skills shortages in the UK economy and the impact of the fourth industrial revolution shows that young people will need a wide range of technical and transferable skills to succeed in the labour market of the future. Throughout school, college and university, we champion the delivery of high quality technical, professional and creative education to help young people to develop those skills.
3. We therefore **support the Government’s overall ambition** to streamline and improve the quality of post-16 provision. However, we feel strongly that young people should be able to combine academic and technical education.
4. This response summarises the key elements of the [Government’s consultation post-16 qualifications](#), which proposes four principles to remove funding from applied general qualifications (defined by the Government as ‘level 3 qualifications for post-16 students who want to continue their education through applied learning’), before presenting evidence for areas where a modified approach could better meet Government’s ambitions.
5. Our major concern is that the **current proposal risks undermining the overall ambition** to streamline and improve quality because the ‘overlap criterion’ means that many current standalone qualifications are at risk, regardless of their quality or support for progression. This will have **knock-on implications for related Government priorities** – support for employers and productivity, parity of esteem between vocational and academic routes, informed student and school choice and setting up T-Levels to succeed.
6. **We recommend that Government instead hold all qualifications to the same high standards, the four ‘key principles’, drawing on high quality insights about labour market relevance and other factors to remove funding on a case-by-case basis rather than with sweeping and simplistic rules.**

Consultation Overview

7. The Government consultation “Review of post-16 qualifications at level 3 and below in England”, launched 19 March 2019, is part of a two-stage consultation process, in which the first stage establishes a general strategy and underpinning principles for reform, with a proposed second stage in late 2019. **The Government is aiming to remove public funding for three sets of qualifications** in a staged process with three deadlines for rolling out the changes, building explicitly on earlier reforms and analyses, the 2011 Wolf Review and the 2016 Sainsbury Review.
 - **Pre-existing qualifications**, those which map very closely to a Level 3 qualification which has been approved for inclusion in Government performance tables (from Aug 2020)

- **Qualifications with no or low enrolment**, where low enrolment is proposed to be tested annually based on having fewer than 100 enrolments in the last two years (from Aug 2021)
 - **Qualifications that fail to meet four key principles or (for 16-19 provision) overlap with T-Levels or A-levels** (from Sep 2023).
8. Exactly which qualifications are to be removed will be discussed as part of later consultations, although several sets of qualifications have been identified as exempt from risk:
- **T-Levels** (being introduced from Sep 2020)
 - **GCSEs, A-Levels and AS-Levels**
 - **English and mathematics Functional Skills qualifications** (level 2 and below)
 - **The new basic digital skills qualifications** (entry level and level 1), to be introduced from August 2020.
9. **The third set of qualifications to be defunded is the one that will have most impact on the sector and where we have the greatest concerns.** Such qualifications will be defunded if they either fail the following four tests or overlap with T-levels or A-levels, which should themselves be required to meet these tests:
- **Purpose** – with a clear purpose that is communicated clearly to prospective learners
 - **Necessity** – meeting a defined education or skills need in the system
 - **Quality** - the content, design and size of the qualification must support the qualification’s purpose and the qualifications must deliver their intended outcomes
 - **Progression** – with clear line of sight to higher levels of study, technical excellence, and/or high quality employment; in particular Level 2 qualifications should lead to Level 3 (potentially in the future for a small group of students, rather than immediately).
10. The proposal does not define how “overlap” with T-levels or A-levels should be calculated, pointing towards such factors as the content, size and scale of the qualification, as well as purpose and intended educational outcomes (by implication considering different student preferences, contexts and career pathways). The proposal also recognises that exceptions are likely to be needed to such overlap rules, particularly within the adult and SEND context or for niche qualifications.
11. If all these factors were implemented precisely and required jointly, there would be perfect overlap for very few, if any qualifications; in such cases, no harm would be done. **Our concern is that overlap might be defined more broadly and encompass a significant number of qualifications**, which are then defunded despite serving valuable roles in the skills system. For convenience, this note describes this as the “overlap criterion” and explores the risks caused if it is defined too broadly or loosely.

Concern 1: The ‘overlap criterion’ undermines the proposal’s ‘four key principles’

12. The ambition that qualifications should reflect the key principles of purpose, necessity, quality and progression is sensible and receives our support. However, if qualifications that meet those four principles are defunded, then **the logic of the reforms is undermined, eroding the**

intention that they will tackle the important skills issues in the English economy. As we show below, analysis conducted both for Government (and cited in the Government’s proposal) and research conducted independently reveal that **some existing, standalone qualifications have strong outcomes in the labour market** and enjoy high levels of employer support, despite the fact it is possible that many of them would overlap – depending on definitions – with the proposed T-levels.

13. By privileging whole routes of qualification (A-Levels and T-Levels) rather than evaluating qualifications individually against the principles, it is **likely that some qualifications will be defunded despite being better than the ones which continue in their place.** Instead, if qualifications pass the four principles, we recommend retaining them, and allowing employers, students and providers to decide which ones best suit their specific needs in different circumstances. Attempts to define overlap precisely feel unnecessary – any suitable definition would be so exact that it would apply to scarcely any qualifications, needing to consider student preferences and strengths, different types of job role and career pathway, and employer needs. **The overlap criterion should be removed, in favour of a renewed emphasis on the four principles.**
14. If certain qualifications turn out to dominate others over time, for instance if T-Levels are a runaway success, then the proposal’s annual tests for low/no enrolment will automatically serve to simplify the system, while still retaining all qualifications that add value. England has a large and complex economy, that is evolving continuously, with many hundreds of thousands of employers and different job roles – such an economy can absorb large numbers of qualifications, being well understood in their relevant domains. **What matters is whether students interested in certain sectors and employers who hire in those sectors, are able and supported to evaluate the limited choices available in those sectors** (as opposed to the full set of thousands of qualifications across areas as diverse as languages, health and beauty, construction and IT). As part of this, there is a need for continued and **increased investment in careers education**, and we welcome moves in this direction by the Department, including the 2017 Careers Strategy and the expansion of the Careers Hubs.

Evidence 1: Some existing qualifications at risk achieve strong labour market outcomes

15. Academic analysis has shown that **Level 3 BTEC National Diplomas and certificates have wage returns of 13%** when comparing individuals who got the same GCSE results overall. Those with level 2 BTEC or City & Guilds show wage increments of 3% and 6%, again controlling for GCSE results.¹ These are average figures across a range of varied qualifications – within them it is highly likely that some qualifications have significantly higher returns than others. Earlier analysis using the Labour Force Survey similarly showed that higher level RSA (no longer in place), BTEC and City and Guilds awards showed positive returns.²
16. Such results are sensitive to econometric methodology and the ranges of plausible values can be wide, just as it is for estimates of returns to A-levels and university education. However, the

¹ Conlon, G and Patrignani, P. (2010). *Return to BTEC Vocational Qualifications: Final report for Pearson* London: London Economics

² Dearden, L., McIntosh, S., Myck, M. & Vignoles, A. *The Returns to Academic, Vocational and Basic Skills in Britain Institute for Fiscal Studies/Centre for Economic Performance: Skills Task Force Research Paper 2002.* The LFS is a panel study, rather than a one-off survey. Participants are interviewed several times, over a period of fifteen months.

numbers above are credible and respected by Government – they are cited by Baroness Wolf in her 2011 review, the same document whose analysis leads to the proposals currently under consultation.³ Given such findings, it is unsurprising that **Wolf clearly states that her review found benefits to some vocational qualifications**, although she highlights that some qualifications, notably NVQ1 and NVQ2 qualifications, do not have consistent, average positive returns, and that qualifications taken via apprenticeships generate higher returns:

“The “vocational” qualifications which have clear labour market benefits even when obtained in an educational institution, are C&G, BTEC and RSA awards (the latter now abolished.) Level 3 awards still show strong positive rewards after controlling for GCSE results.” (Wolf, 2011:154)

17. Since the Wolf Report, further academic work has taken place building on this research, both empirical analyses of returns analysis (see, for instance, the 2015 NFER literature review⁴ or further work by CVER in 2016⁵) and explorations of different methodologies (e.g. Hedges et al, 2018⁶). The latter research reinforces the importance of defining an appropriate comparison group. For instance, **the “raw returns” without GCSE controls in place for BTEC Level 2 and 3 qualifications as reported above would be nearer 13% and 34%.**
18. Choosing which dataset to use, which control variables to implement and how to account for correlation between modelled independent variables, is a serious econometric challenge. Hedges et al (2018) argue that comparing achievers with non-achievers is the most suitable approach out of those currently available. We would also highlight the important difference between the average returns from those who take different routes, and the different returns available to an individual choosing between their particular set of options, given individual preferences and any personal, geographic or socio-economic constraints they might face. Knowing that a post-graduate legal qualification from a top-third university generates considerable lifetime salary returns is of little value to someone with poor GCSE results and no interest in law.
19. The Longitudinal Education Outcomes dataset (LEO) is a powerful example of what is possible, while highlighting the need for proper analysis and incorporating contextual factors that are not naturally available for the full LEO sample. A minister involved in commissioning LEO and a champion of the policy importance of economic returns analysis, **David Willetts, wrote in April 2019 to explain that returns to Level 2**

³ Wolf, A. (2011). *Review of Vocational Education – The Wolf Report*. London: Department for Education

⁴ Lynch, S., Sims, D. and Wespieser, K. (2015). *A Literature Review of the Value of Vocational Qualifications*. Slough: NFER.

⁵ McIntosh, S. and Morris, D. (2016). *Labour Market Returns to Vocational Qualifications in the Labour Force Survey*. London: CVER

⁶ Hedges, S., Patrignani, P., and Conlon, G. (2018). *Settling the counterfactual debate: Is there a preferable counterfactual when estimating the returns to vocational qualifications?* London: Centre for Vocational Education Research

qualifications turned out to be far higher than previously estimated, once analysis had controlled more fully for social disadvantage.⁷

20. There are several other helpful examples of further empirical work conducted since the Wolf Report. A review undertaken for BIS⁸ concluded that the wage return at Level 3 compared with Level 2 was highest for BTEC (20% more). For example, at Level 3, gains appeared **highest for City and Guilds qualifications, particularly for men (with a net benefit of £63,375-£93,973), closely followed by BTEC (£59,943-£74,423)**. London Economics (2011⁹) found positive results for employment outcomes, and particularly for **Level 2 BTECs where completers achieved the greatest long-term employment boost** (8.9 per cent after seven years). More broadly, NVQs appear to help employment outcomes, but have less impact on wage outcomes (Lynch et al, 2015; Conlon et al, 2011¹⁰). Work published this year by NIESR reveals that those with level 4 and 5 vocational qualifications in STEM subjects – a common pathway from level 3 applied general qualifications - earn more than people with degrees from many universities¹¹. As McIntosh and Morris (2016) have demonstrated: *there is substantial variation in the estimated returns to vocational qualifications, across types of qualifications, levels, study subjects, and across points of the wage distribution*.
21. Given that negative returns have been identified for A-levels in certain domains¹², **it is credible that the BTECs in those domains might be better than the A-levels**, with respect to being valued and rewarded by employers. The conclusion is not to privilege all BTECs over all A-levels, but to evaluate each individually against the four key principles outlined in the consultation.

Evidence 2: Some existing qualifications at risk enjoy high levels of employer support

22. Ofqual conducts an annual survey to understand the perceptions of stakeholders to qualifications. The most recent, wave 17, was published in April 2019.¹³ This recent survey found that employer stakeholders have **a similar view on applied general qualifications to A-levels in terms of how well they prepare students for work** (34% agreement for A-levels; 35% agreement for applied general qualifications).

⁷ Willetts, D. (2019). 'Graduate earnings rarely afford good policymaking'. Times Higher Education (11/04/2019). Available from: <https://www.timeshighereducation.com/features/graduate-earnings-rarely-afford-good-policymaking>

⁸ Department for Business, Innovation and Skills. (2013). *Review of the Economic Benefits of Training and Qualifications, as Shown by Research Based on Cross-Sectional and Administrative Data (BIS Research Paper Number 105)*.

⁹ London Economics. (2011). *The Long Term Effect of Vocational Qualifications on Labour Market Outcomes (BIS Report Number 47)*

¹⁰ Conlon, G., Patrignani, P. and Chapman, J. (2011). *Returns to Intermediate and Low Level Vocational Qualifications (BIS Research Paper Number 53)*

¹¹ Espinoza, H. and Speckesser, S. (2019). *A comparison of earnings related to higher level Vocational/technical and academic education*. London: NIESR.

¹² For instance, those taking 2 or fewer non-STEM A-levels saw wages 6% lower than relative to just having GCSEs – as reported in analysis for the DfE: Conlon, G. and Patrignani, P. (2015). *The earnings and employment returns to A levels - A report to the Department for Education*. London: London Economics.

¹³ Available from: <https://www.gov.uk/government/statistics/perceptions-of-a-levels-gcses-and-other-qualifications-wave-17>

23. The same survey also found that young people were more positive on the work-relevance of applied general qualifications, with **47% agreeing that they are good preparation for work, compared to only 40% for A-levels**. The trend over time is positive for applied general qualifications, which in wave 16 had young people agreeing at 37%, compared to 34% for A-levels. In other words, the gap in favour of applied general qualifications increased from 3%pts to 7%pts, a sign pointing towards the benefit of Government reforms to improve applied general qualifications. It may take longer for the impact of reforms to feed through to employer opinions, were there was no meaningful change between wave 16 and wave 17.¹⁴
24. As described above, there is evidence of **wide disparity in quality among applied general qualifications**. Given the insight on wage returns and, by implication, productivity, it is highly likely that employers who recruit in the relevant domains would have more strongly positive views on the relevant BTEC or City & Guilds level 3 qualifications.
25. Examining specific technical domains, there is further evidence of support for applied general qualifications. For instance, SEMTA, the skills body for engineering, has spoken out in favour of including such qualifications as part of apprenticeships¹⁵, based on surveys with its members that reveal **more than 75% of employers would prefer engineering qualifications that included hands-on experience and practical skills** and random sample spot checks of engineering vacancies on the “Find an Apprenticeship” service that found more than 90% mentioned a mix of qualifications including relevant NVQs and Technical Certificates¹⁶.

Concern 2: The ‘overlap criterion’ undermines adjacent policy priorities

26. The ‘overlap criterion’, if implemented in a way that addresses a meaningful number of qualifications, **will damage Government policy priorities and reform initiatives in at least four key related areas**. Our own research supports the Government’s prioritisation of these areas and we are concerned about negative, unintended consequences as a result of the post-16 review. They are:
- Supporting employers to get the skills they need in a strong, balanced economy;
 - Tackling the parity of esteem gap between technical and academic education;
 - Fostering informed and localised student and school choice; and
 - Ensuring T-levels become a prestigious route of choice.

Supporting employers’ skills needs

27. The Government has put in place a number of initiatives to ensure that the education system better supports employer skills needs and contributes towards productivity, including STEM inspiration activities led by BEIS, The Careers & Enterprise Company, using employers in the designing of T-levels, among many others. Edge welcomes these efforts.
28. Our concern is that **this policy priority cannot be well-served by removing qualifications that are well-known and trusted by the relevant employers** and which generate productivity benefits for employers, as demonstrated by wage return analysis. Clearly low quality

¹⁴ Unfortunately, the question was not asked in this format in earlier waves so we cannot compare further back in time.

¹⁵ <https://www.hvpmag.co.uk/Semta-report-supports-use-of-qualifications-in-apprenticeships/10825>

¹⁶ SEMTA. (2017). *Engineering: A qualified sector. A report on the use of qualifications in the Advanced Manufacturing and Engineering sector in the United Kingdom*. London: SEMTA

qualifications should be removed, but that applies to some, rather than all of the potential Level 3 and below standalone qualifications which are likely to have overlap with the proposed T-levels and existing A-levels that focus on specific sectoral areas.

Tackling parity of esteem

29. Many efforts are underway to tackle the parity of esteem gap between applied and academic qualifications, including the 2017 Careers Strategy, investments in apprenticeship inspiration campaigns and implementation of the Baker clause. Edge research and that by our partners has demonstrated that much of the prejudice against the applied sector proves unfounded, and hence tackling these stereotypes is an important part of improving our skills system.
30. We see the Government's ideas in this proposal, as set out in the four key principles, as supporting such efforts and we welcome them accordingly. However, the implementation of those principles severely undermines efforts to tackle such prejudice: **any simplistic implementation of the overlap criterion would result in the removal of qualifications taken by a large number of students specifically in the technical domain**, with no impact on qualifications in the academic domain. This sends a clear message that technical education as a whole is working badly. If the Government is serious about quality, purpose, necessity and progression, individual A-levels should sit the same test, particularly those in domains that overlap with applied general qualifications.
31. More subtly, and perhaps more importantly, **the Government's reforms will make it harder for students to take both academic and applied qualifications**. Government data on 2017 reveals 16.7% of students mixing academic level 3 qualifications with applied general or technical qualifications.¹⁷ The T-level route is intended as distinct from A-levels with students in practice choosing one route or the other. This approach emphasises their differences, rather than the benefits of combining different types of learning and applying appropriate mixtures of skills and competencies in different jobs. It creates a dividing line between applied and academic qualifications that does not reflect how qualifications translate into labour market practice and hinders efforts to break down barriers.

Informed school and student choice

32. Many Government policies since 2010 have emphasised the importance of local decision-making by those affected most closely by decisions as a tool of improving outcomes. Examples include the academy and free schools programme, widening the range of apprenticeship qualification levels, and sharing data and insights on school-level performance (e.g. KS4 and KS5 new destination measures; gender gap data on STEM A-level uptake) and education outcomes (e.g. LEO).
33. The proposal here to dramatically reduce the range of options available via simplistic criteria, **contradicts and undermines policies based on informed choice**. There is a valid claim that some choices are confusing¹⁸ - but the solution to this lies less in arbitrarily removing options available,

¹⁷ Department for Education. (2018). Revised A level and other 16-18 results in England, 2016/2017 - SFR 03/2018, 25 January 2018.

¹⁸ For instance, the Moments of Choice research undertaken by the Behavioural Insights Team for The Careers & Enterprise Company.

and far more in providing better information, advice and guidance; with a proper investment of time and expertise in understanding and exploring options. Careers education and guidance still remains well below optimal levels.

Supporting T-levels to succeed

34. The success of T-Levels is an important part of the Government's strategy. Involving employers in their development and taking a thoughtful, structured approach to their design is a sensible approach.
35. This proposal risks, in seeking to artificially enforce T-level success, undermining that very success. Ultimately, **prestige cannot be legislated for** – as ministers have acknowledge in this same policy area. Prestige has to be earned, rather than forced. If students with interests in certain areas have to take T-levels, this is more likely to drive resentment than prestige. T-levels need to first prove themselves and, if successful, will naturally become a default option. They have every chance to succeed, but if forced, they become an easy target for any subsequent Government to remove – since any success they have cannot be credited to their actual content.
36. Other qualifications in England have proved their ability to grow within the quasi-marketised system of post-16 provision historically; there is every reason that, if they are developed in the right way, T-levels can equally succeed without Government intervention beyond ensuring suitable equivalency, fair public funding and a strong design. For instance, BTECs, as set out in the Wolf Report, were developed in the 1980s by the Business and Technology Education Council and grew rapidly alongside A-levels.

Recommendations to Government concerning this consultation

- A. Remove the 'overlap criterion' from the plans, placing renewed emphasis on the four key principles to assess qualification suitability on a case by case basis and on the annual low enrolment criteria to ensure a sufficiently streamlined system.**
- B. Place weight on both employer perspectives and labour market outcomes in assessing qualification suitability:**
 - Employer perspectives can be identified through structured surveys, focusing just on the domains in which those employers recruit.
 - Labour market outcome analysis should be based on thorough, thoughtful and academically-compelling empirical analysis that takes full account of the choices available to individual students, their preferences, socio-economic background, prior attainment and careers guidance support.
 - It is better to take time over such assessments and get them right, that to take action based on inadequate empirical data.
- C. Conduct the qualification suitability assessment transparently, with published datasets on individual indicators, and using a team independent of Government to evaluate qualifications according to the criteria set by Government. The assessment should cover all qualifications including A-levels and T-levels.**

- D. Continue and enhance investment in careers education and guidance, including employer engagement and sufficient timetabled space for young people so that they can understand the range of options available and make the right choices for them.**