

Regulator Assessment: Qualifying Regulatory Provisions

Title of proposal	Ofqual: Guidance to the General Conditions of Recognition
Lead Regulator	Ofqual
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Date of assessment	30 March 2017
Commencement date	15 July 2016
Origin	Domestic
Does this include implementation of a Cutting Red Tape review?	No
Which areas of the UK will be affected?	England

Brief outline of new or amended regulatory activity:

Ofqual's *General Conditions of Recognition* (GCR) document sets out rules which all awarding organisations must follow. It also sets out rules for all regulated qualifications.

Ofqual has a duty under section 153 of the Apprenticeships, Skills, Children and Learning Act (ASCLA) 2009 to prepare and publish guidance alongside the GCR. Awarding organisations must have regard to this guidance; they do not have to follow it.

This assessment relates to changes to guidance only, not changes to the Conditions with which awarding organisations must comply.

Decisions on which Conditions to publish guidance for, and the order in which we do it, have been informed both by Ofqual's own view, and the views of awarding organisations.

On 15 July 2016 Ofqual published new guidance covering 11 Conditions where this had not previously existed, and amended guidance for a further 2 Conditions. The list of Conditions for which we published new or amended guidance is attached at **Annex A**. We also added new guidance for what an awarding organisation should do where it discovers that it has issued an incorrect result.

Ofqual consulted between 7 December 2015 and 31 January 2016 on the proposed new guidance. This followed a series of workshops in 2015 at which awarding organisations provided feedback on early drafts of the guidance. We took all views into account, seeking to strike a balance between the views expressed and to provide guidance that is as helpful as possible, to as many awarding organisations as possible. Full details of [the consultation outcome](#) have been published.

Which type of business will be affected? How many are estimated to be affected?

All awarding organisations are affected by the change -156 in total, offering both general and vocational qualifications

Summary of costs and benefits

Price base year	Implementation date	Duration of policy (years)	Net Present Value	Business Net Present Value	Net cost to business (EANDCB)	BIT score
2016	15/7/2016	10	-0.05	-0.05	0.0	0.0

Please set out the impact to business clearly with a breakdown of costs and benefits

The *General Conditions of Recognition* with which awarding organisations must comply are unchanged. This new guidance serves to help them understand better how to comply with the Conditions. Awarding organisations must have regard to this guidance but they do not have to follow it.

We expect the cost to be limited to the time it takes staff employed by awarding organisations to read the new guidance (total 51 pages) and consider how they might apply it, or if they choose not to, instead to consider how their alternative approach demonstrates compliance with the Conditions.

This cost of familiarisation should be balanced against the potential saving to organisations of not having to work out themselves how to comply with the Conditions, should they wish to follow our guidance.

Calculation of expected cost is set out below:

Assumptions on Readership

Awarding Organisation (AO) size	Number of AOs of this size	Number of staff who read the guidance	Total readership
Large	5	10	50
Medium	10	5	50
Small	141	2	282
Total AOs	156		382 AO staff

Size of AO:

We have categorised organisations by numbers of certificates awarded per annum (in 2014/15):

Large: Awarded more than 1m certificates - 11.6m certificates combined

Medium: Awarded between 100k and 1m certificates – 2.3m certificates combined

Small: Awarded fewer than 100k certificates – 1.9m certificates combined

Number of staff in each AO who read the Guidance:

We consider 10/ 5/ 2 respectively to be a reasonable estimate of staff in each organisation type dealing with the overall compliance of the awarding organisation with regulatory requirements.

Assumptions on time spent reading and considering implications for organisation:

Ofqual documents average 200 words per page. Normal reading time would be 200 words per minute, so 60 pages per hour.

Reading time plus time to absorb and consider the information is assumed to be 6 times longer than reading time only, so equivalent to 10 pages per hour.

Staff hourly cost:

We have sampled published figures on annual staff costs of 12 awarding organisations to identify a reasonable average rate of £26 per hour (includes 'on costs'). The AOs sampled include a range of small, medium and large organisations.

Calculation of expected cost

51 pages of new guidance to read

10 pages per hour

5.1 hours to read and absorb

382 staff will read it

1948.2 total hours spent

£26.00 average hourly staff rate

Cost impact = 51 pages x 10 pages per hour x £26 per hour x 382 staff.

£50,653 total estimated expected impact across all Awarding Organisations.

NB this is a one-off cost; no ongoing burden beyond year one.

Please provide any additional information (if required) that may assist the RPC to validate the BIT Score

Annex A

Guidance to the General Conditions of Recognition published 15 July 2016

Amended Guidance:

A5 – Availability of adequate resources and arrangements

B3 – Notification to Ofqual of certain events

New Guidance

C2 – Arrangements with Centres

D3 – Reviewing approach

D7 – Management of the withdrawal of qualifications

E3 – Publication of a qualification specification

E5 – Assurance that qualifications comply with the conditions

G1 – Setting the assessment

G3 – Use of language and Stimulus Materials

G6 – Arrangements for Reasonable Adjustments

G7 – Arrangements for Special Consideration

G8 – Completion of the assessment under the required conditions

G9 – Delivering the assessment