

Regulator Assessment: Qualifying Regulatory Provisions

Title of proposal	Removal of the Regulatory Arrangements for the Qualifications and Credit Framework (QCF); closure of the QCF Unit Bank and introduction of regulations concerning the Level and size of qualifications (the Regulated Qualifications Framework (RQF) and Total Qualification Time (TQT))
Lead Regulator	Ofqual
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Date of assessment	30 March 2017
Commencement date	1 October 2015
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 proposed new or amended regulatory activity

Summary:

Ofqual removed the suite of regulations which prescribed the characteristics of the majority of qualifications, known as the *Regulatory Arrangements for the Qualifications and Credit Framework* (the QCF rules) and implemented a new *Regulated Qualifications Framework* (RQF).

The RQF introduced amended *General Conditions of Recognition* which included new requirements in relation to credit requirements, recognition of prior learning and qualification titling, as well as new level descriptors and a Total Qualification Time criteria to describe the size of a qualification. This assessment considers the impacts of all changes relating to the RQF.

Ofqual made these changes because the QCF rules did not always support the development of valid qualifications.

Background:

QCF & Unit Bank:

The **QCF** was a framework of rules for qualifications introduced in 2008 in England, Wales & N Ireland. The QCF was introduced because, at that time, awarding organisations were required to comply with specific qualification design requirements in order to be eligible for public funding.

In 2011 we published our *General Conditions of Recognition*. Awarding organisations were then required to comply with both the *General Conditions of Recognition* and the QCF rules.

QCF type qualifications were made up of individual units. The **unit bank** was a repository of units developed by awarding organisations and certain other organisations (unit submitters) and which could be shared with some or all awarding organisations. Units in the unit bank were used by awarding organisations to construct their qualifications. Although units were shared, the regulatory accountability in respect of that component of a qualification remained with the awarding organisation. The development of units had to follow the design specifications set out in the QCF rules and also had to meet Ofqual's *General Conditions of Recognition*. Ofqual managed the IT facility which held this repository.

In 2014 Ofqual reviewed the operation of the QCF rules and published a report which proposed the removal of the QCF rules. A 12 week consultation took place, following which Ofqual decided that the QCF rules would be removed because those rules imposed a 'one size fits all' approach to the design of qualifications which was not always consistent with the development of high quality qualifications, and did not always meet employer needs. Key findings included:

- QCF was not consistently producing qualifications that could be considered sufficiently valid.
- The model inhibited rather than encouraged innovation and good programme design
- Qualifications could be made up of units with overlapping content
- QCF had intended to give learners the flexibility to transfer credits across centres, enabling them to study at multiple locations. In practice however, this rarely happened.

In December 2014 Ofqual announced that the QCF rules would be withdrawn in 2015. Between March and June 2015 a further technical consultation took place to support the development of additional *General Conditions of Recognition* to form a new framework which would apply to all qualifications, not just those made up of units.

Total Qualification Time criteria:

We also gave consideration to our obligation under the Apprenticeship, Skills, Children & Learning Act 2009 to define minimum Guided Learning Hours (which broadly reflects teaching time) required for qualifications, in line with the definition set out in the Education and Skills Act 2008 in relation to Raising the Participation Age. We considered that it was not possible for all qualifications at all levels to be defined solely in terms of Guided Learning Hours, as many qualifications require periods of independent study and assessment. We therefore proposed the introduction of a Total Qualification Time (TQT) measure to address this. We deliberately based the proposed new requirements on previous ways in which the size of a qualification had been described. TQT measures the total learning time required to achieve a qualification, not just the hours of teacher contact in a classroom. TQT focuses on the qualification as a whole rather than as a sum of individual units. TQT incorporates Guided Learning (GL).

The proposal to introduce TQT then formed part of the QCF consultation, as it was relevant to the definition of qualifications under a new framework.

The outcome of the QCF & TQT consultation was that a suite of regulations would be removed (the QCF rules) and a small number of new regulations would be required to allow the *General Conditions of Recognition* to operate as a new framework.

Regulated Qualifications Framework

On 1 October 2015, following the withdrawal of the QCF rules, we introduced the Regulated Qualifications Framework (RQF). The majority of the rules set out in the QCF rules were no longer required. RQF comprised clearer rules on describing the level and size of a qualification. RQF also introduced a number of new Conditions.

At the same time we closed the unit bank. The RQF does not prevent awarding organisations from sharing units or from developing qualifications based on units developed by others, but Ofqual has stopped facilitating such arrangements.

Qualifications which had been developed using shared units in accordance with the QCF rules remained on the Register of Regulated Qualifications and remained available to learners.

Ahead of implementation of the RQF, Ofqual made clear that an awarding organisation which had previously shared units in the unit bank and intended to revoke permission for other awarding organisations to use those units would need to give adequate notice. Ofqual set out that it regarded two years as adequate notice.

RQF includes a requirement for awarding organisations to ensure qualifications meet new TQT rules. A specific TQT criteria must be applied. For the majority of qualifications, awarding organisations have been given until 31 December 2017 to comply with TQT requirements and to publish their TQT calculation. For qualifications (other than GCSE and GCE qualifications) either with a UCAS tariff or eligible for publication on performance tables, an earlier deadline of June 2016 was specified.

Recognition arrangements

The ASCL Act 2009 requires us to recognise as an awarding organisation a body that applies for recognition and that meets the relevant criteria. When the QCF rules were withdrawn, it was necessary for the scope of recognition of awarding organisations to be updated to redefine their scope of recognition in line with their actual offering. It is the responsibility of Ofqual to make the updates to recognition descriptions.

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

All awarding organisations. As at July 2015, just before the introduction of the new framework, there were 157 of these.

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
2015	2015	10	-0.75	-0.75	0.1	0.5

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

We [published a detailed impact assessment alongside the introduction of the RQF](#) which set out how we had considered and sought to minimise any economic burden on awarding organisations. We believed that any potential costs to awarding organisations were outweighed by the potential benefits to the quality and responsiveness of qualifications.

The key changes brought into effect by the RQF and their impacts are set out below:

Unit bank closure: Some awarding organisations may have incurred additional costs in qualification development if they had previously relied on units developed by others for its qualifications. However, any cost must be balanced against the significant benefits to the end user. An awarding organisation now has full ownership and control of each of its qualifications, meaning that it is better able to amend qualifications in response to user feedback. Additionally, there is no longer a risk of overlapping content within one qualification.

Analysis of Impact: Ten awarding organisations confirmed that they intended to withdraw units from shared use. For the 2014/15 season, 32 awarding organisations used QCF units from these ten providers in qualifications for which at least one certificate was issued. Awarding organisations may not in all cases choose to replace a unit withdrawn from shared use, but our calculations below are based on all units being replaced.

The shared units were vocational in nature. The units typically comprised a list of generic learning outcomes to be achieved by a learner, together with assessment criteria. To replace the shared units would not have been a complex exercise as they were not being created from scratch. We generously estimated that awarding organisations would expend an average of eight person hours to reformulate shared units into new ones.

This estimate was provided by an internal Ofqual expert who has over twenty years' experience in the qualification industry including working for Sector Skills Councils and awarding bodies. This included the development of qualifications and apprenticeship provision. The individual was responsible for suites of qualifications within AOs. In particular, he was responsible for working with a group of awarding bodies in a sector, leading the development of a sector qualification suite including shared units and bespoke specialist units, meeting the needs of employers – both national and SMEs.

Within Ofqual the individual has extensive knowledge and expertise of the processes required to design, deliver and award qualifications – gained from a wide range of awarding body audit activity, and qualifications scrutiny. This would include analysing how long it would take to deliver qualifications, the typical staffing involved, and the organisational resources and arrangements necessary to design, deliver and award valid qualifications.

We consider it would be disproportionate to conduct further research at this time to identify precise costs incurred by each awarding organisation affected.

Average staff cost:

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

As a worst case, we have assessed this cost against every shared unit that had at least one certificate issued in 2014/15, although it is likely not all will have been replaced:

Total Units to be replaced: 1,727 units
Time to replace (at 8 hours per unit): 13,816 hours
Average hourly rate for AO staff: £26/hour

Estimated Unit replacement cost: £359k, spread across 32 awarding organisations

Familiarisation with new Requirements and Guidance

The table below sets out details of documents which all awarding organisations were required to read in order to understand the new requirements and consider how to comply with them:

Document	Number of pages
Amended & New Conditions (E2.5, E3.2 (k) – (m), E3.4 – E3.8, E7, E8, E9, E10, J1.8)	7
Guidance to the new/ amended Conditions	10
Qualification & Component Levels	11
Total Qualification Time Criteria	10
Criteria for determining whether a qualification is relevant for the purposes of the Education & Skills Act 2008	5
TOTAL PAGES	43

Number of pages per hour:

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 x longer than reading time only
Equivalent to **10 pages per hour**, therefore **43 pages will take 4.3 hours to read.**

Number of Readers per AO

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	142	2	284
TOTAL	157		384

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, estimated total headcount = 500-1,000

Medium: Awarded between 100k and 1m certificates – 2.3m certificates combined, estimated total headcount = 150-200

Small: Awarded fewer than 100k certificates – 1.9m certificates combined, estimated total headcount = 10-30

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 awarding organisations sampled include a range of small, medium and large organisations.

Familiarisation Cost is calculated as: **384 readers x 4.3 hours x £26 per hour = £43k**

Introduction of a Total Qualification Time requirement:

Under the new requirements, awarding organisations must assign a number of hours for GL and a number of hours for TQT to each qualification.

GL is teaching time. TQT comprises GL, plus an estimate of the number of hours a learner will reasonably be likely to spend in preparation, study or any other form of participation in education or training, including assessment, which takes place directed by but not supervised by teaching staff.

We deliberately based the new GL and TQT requirements on previous ways in which the size of a qualification had been described. A GL value was already required for funding purposes and for centres to be able to set timetables. A GL value also had to be included when a qualification was uploaded to our Register. Awarding organisations knew the total size of each qualification, not just the GL value, as this was required in order to calculate a credit value under the QCF rules. Under QCF, a credit value incorporated not just GL, but the total time and effort required to complete each component of a qualification. For GCSE, A and AS level qualifications, default values were set in Ofqual's previous regulatory IT system.

Awarding organisations will need to confirm the size of qualifications through communication with centres and assign GL and TQT values to each qualification which meet the new requirements. An estimated cost of this is set out below.

Cost of confirmation of GL & TQT values:

We have calculated the estimated time to review information from the awarding organisations' qualification development process, to communicate with centres and to assign the Guided Learning and Total Qualification Time values in line with new requirements. It would not be proportionate to survey awarding organisations to confirm precise time spent and so a time of 30 minutes per qualification has been used, likely to be an over-estimate as there should be consistent relationships between GL and TQT for groups of qualifications.

Total Qualifications on Register to be updated:	17,500
Time to update each:	30 minutes
Hourly Rate for Average AO Staff:	£26 p/h (source as above)

30 minutes has been considered a reasonable estimate by the internal Ofqual expert described above in the section on costs of unit development.

Estimated GL & TQT Confirmation cost: £228k, spread across all 157 awarding organisations and across 2016 and 2017.

We have in addition estimated the cost to awarding organisations of making the necessary administrative updates on our Register and on their own websites relating to TQT/ GL and to remove QCF from both qualification titles and recognition descriptions. This is set out below.

Qualification Titles, Recognition & TQT updates– administrative cost:

AOs must input the TQT value (and amend the GL value if required) on our Register and also remove reference to QCF from qualification titles. Each qualification would require minor amendments to titles and introductory statements on AO websites and qualification specification documents. Each awarding organisation would also need to update the description of their scope of recognition (once per AO) to remove reference to QCF qualifications on any of their public facing communications. It would not be proportionate to survey organisations to confirm precise time spent for these administrative tasks and so a time of 30 minutes per qualification has been used, likely to be significantly in excess of the actual time taken when multiple qualifications are updated at the same time.

Total Qualifications to be updated:	17,500
Time to update each:	30 minutes
Hourly Rate for AO Admin Staff:	£15 p/h

30 minutes has been considered a reasonable estimate by the internal Ofqual expert described above in the section on costs of unit development.

AO administration staff cost at £15.00 p/h includes 'on costs'. (*Source: 2015 Annual Survey of Hours and Earnings: Administrator*).

Estimated Titles, Recognition & TQT Update cost: £131k, spread across all 157 awarding organisations and across 2016 and 2017.

Changes which are not monetised (minimal/ no cost impact or optional arrangements):

Qualification Levels – the RQF requires that levels are assigned to qualifications. Level descriptors are defined in the *Qualification and Component Levels* requirements. Awarding organisations must ensure that qualification levels match the published level descriptors. On the assumption that awarding organisations were already compliant with the pre-existing QCF rules in relation to levels, and given most qualifications were

developed to meet the QCF rules, we do not expect this to place additional burden on awarding organisations.

Requirement for Credits removed: under the RQF the use of credits to make up qualifications is optional rather than mandatory. If awarding organisations choose to use credits, they are still required to provide a TQT calculation. We do not anticipate any additional cost to AOs as a result of this change. For awarding organisations that choose not to assign credit to qualifications we expect there will be a small reduction in burden.

'Recognition of Prior Learning' (RPL) rules removed: The QCF rules set out a very specific definition of and requirements for RPL. It was intended that learners would use RPL to transfer between awarding organisations. However, data confirmed that in practice, only a small amount of credit was transferred between awarding organisations each year (less than 2% of all units achieved in QCF qualifications in 2011/12 and 2012/13). RPL is not mandatory in the RQF. Awarding organisations can decide their own approach, subject to it being compliant with the *General Conditions of Recognition*. They may choose not to have a provision for RPL. If awarding organisations do choose to make provision for RPL, they may define it more widely than had previously been permitted under the QCF and they must publish a policy. 98% of respondents to our consultation agreed that awarding organisations should publish a clear policy relating to the allowance of credit transfer and RPL. In response to the consultation and at our consultation events, many awarding organisations confirmed that they already had RPL policies in place and would continue to operate these. They indicated that our proposed changes would not be burdensome. We therefore do not consider any costs should arise as a result of this change.

Informing schools & colleges about RQF & TQT requirements: We made available a range of materials, including digital downloads, with targeted messages about the changes. These could be accessed directly by schools and colleges, or used by awarding organisations to inform schools and colleges. We consider this minimised the burden to awarding organisations of communicating the changes.

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