Regulator Assessment: Qualifying Regulatory Provisions

Title of proposal	Introduced a new IT system for gathering regulated qualification data from awarding organisations for our public register of qualifications.
Lead Regulator	**Ofqual**
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Date of assessment	30 March 2017
Commencement date	27 June 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 proposed new or amended regulatory activity

We gather qualification information from our awarding organisations (AOs) using a bespoke IT system.

In June 2016 we replaced our previous IT system (RITS) with the more efficient portal for our AOs, the AO Portal. RITS was designed in 2010 with the intention of helping AOs implement the Qualifications and Credit Framework (QCF) rules. The QCF rules were withdrawn on 1 October 2015 and a new Regulated Qualifications Framework was introduced.

The AO Portal has less onerous requirements for data gathering for qualifications. The requirement to submit less data, along with improvements in technology since RITS was introduced means that we have reduced burden on our AOs for providing data about qualifications. The AO Portal has been welcomed by AOs.

The use of the data has not changed. This includes:

- accrediting qualifications (where an accreditation requirement exists),
- publishing a register of qualifications
- sharing data with other government departments and agencies e.g. Skills Funding Agency and Education Funding Agency.

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

156 Awarding Organisations (AOs). There are approximately 1,500 AO users of the AO Portal, of which 298 have user permissions to submit qualification data to us.

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	**June 2016**	**10**	**4.42**	**4.42**	**-0.5**	**-2.5**

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

Design and Development of AO Portal
Early in the design and development of the AO Portal we engaged with AOs. We set up a Transitionary Advisory Group in May 2015, whose membership was a representative sample of AOs as well as business representative groups, eg the Federation of Awarding Bodies and the Joint Council for Qualifications. We also engaged with all AOs through regular communications, test groups and early release versions of the AO Portal for user testing.

First release of AO Portal
The new AO Portal went live on 27 June 2016. AO users can view AO details, qualifications and units, create and amend qualifications and units, submit qualifications to the register, via an accreditation process if necessary. We also issued a new user guide.

Benefits:
We reviewed the information held on the old RITS IT system and reduced the information that was required. In the new AO Portal we only collect information that we need in order to regulate effectively.

We reduced the number of fields required for a qualification to be input from 300 to 45. One of the 45 fields is a new field for AOs to insert a website link to the 'Qualification Specification' for each qualification. The Qualification Specification gives details, such as the title and content of individual qualifications that help users of the qualification to compare different qualifications.

There was a one-off cost to AOs associated with the administration of adding the website link for qualifications that were already on the Register; the one-off costs are assessed below in the 'costs' section. The on-going costs for adding the website links to the specifications of new qualifications are incorporated in the 3 hour processing time referenced below (Table 2).

In June 2015, we undertook an exercise with a sample of eight AOs to specify how much it cost an AO awarding organisation to undertake various processes in the previous RITS system. We asked the AOs to give an average overall figure per

qualification; there was a wide range of estimates from a range of different sized AOs. The average figure for inputting a qualification is in the table below:

Table 1 – previous process

Average Hours per Qualification (300 fields)	Average hourly Rate (includes 'on costs')	Average cost per qual
11	£23.29	£256.19

Through testing the system with 13 AOs consisting of around 20 users, as well as internal Ofqual test staff, we estimate the reduction in average cost in time and effort to be at least 70%. This net reduction includes the additional time for AOs to insert a website link to the specification and the time saved because of the significant reduction in the number of fields to be completed.

Table 2 - new process

Average Hours per Qualification (45 fields)	Average hourly Rate	Average cost per qual
3	£23.29	£69.87

These estimates are based on a small sample of AOs but we consider they are a reasonable indicator as the sample included a range of large and small AOs across different sectors (general and vocational qualifications).

New/Replacement qualifications loaded to AO Portal 2016: **2,800**
For the period 2013-2015 AOs submitted on average 2,756 qualifications per year to the Register.   It is therefore reasonable to estimate the following on-going savings:

Previous process: RITS Cost, at £256.19 per qualification: £717k
New process: AO Portal Cost, at £69.87 per qualification: £196k

Saving achieved: £521k per annum, across all AOs.

One off costs:

1. **New user guide for the AO Portal - 22 pages, 298 users.**

Assumptions on time spent reading user guide:
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:
AO Administration Staff: £15.00 includes 'on costs'. *(Source: 2015 Annual Survey of Hours and Earnings: Administrator).*

Familiarisation time per user: 2.2 hours (22 pages at 10 pages per hour)
Total Hours across AOs: 655.6 hours (2.2 hours x 298 AO Users)

One-off Familiarisation Cost: £10k (656 hours at £15 per hour, AO Admin staff rate)

2. Adding a website link for the specification on the AO Portal for each qualification

Assumptions on time to add website link to qualifications already on the register:
20,256 existing qualifications needed a website link added on the AO Portal.

Based on user testing we assumed it would take 10 minutes per qualification to update the field.

Staff hourly cost:
AO Administration Staff: £15.00 includes 'on costs'. *(Source: 2015 Annual Survey of Hours and Earnings: Administrator)*

One-Off Admin Cost: £50,640 (20,256 qualifications x 10 minutes per qualification x AO Admin staff rate)

The ongoing cost of adding website links to qualification specifications for new qualifications is part of the net reduction set out in the Benefits section.

3. Second release- Contact Ofqual

Further development work was undertaken to allow AOs to contact us using the AO Portal, which lead to the roll out of Contact Ofqual in October 2016. Contact Ofqual is used for sending general enquiries to Ofqual, and has streamlined the way AOs contact us. It replaces emails sent to a central mailbox. AOs have only one point of contact and we aim to reduce confusion and increase consistency of experience.

Assumptions on time spent reading user guide:
New user guide for Contact Ofqual (4 pages x 1,500 users)

Staff hourly cost:
Since Contact Ofqual will be used by a range of staff at an AO, we have sampled published figures on annual staff costs of 12 AOs 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.

Familiarisation time per user: 0.4 hours (4 pages at 10 pages per hour)
Total Hours across AOs: 600 hours (0.4 hours x 1,500 AO Users)

One-off Familiarisation Cost: £16k (600 hours at £26 per hour, ave AO Staff rate)

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