

Reforming Functional Skills Qualifications in English and mathematics

Regulatory Impact Assessment (Final)



June 2018

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1. Executive summary

This document sets out the financial burdens imposed upon awarding organisations by the final proposals for the reformed Functional Skills Qualifications in English and mathematics.

The table below summarises the impacts and confirms the cumulative impact on the industry, assuming the current 16 awarding organisations continue to offer the reformed versions of these qualifications.

PROPOSAL	ONE-OFF IMPACT	ANNUAL IMPACT
Assessment strategy document	£ 7,790	
Technical evaluation	£ 62,830	
Reporting Pass/Fail grading	Minimal	
Monitoring of speaking, listening and communicating assessments		Minimal
Setting specified levels of attainment		£4,011
Passing components in FSQ English		Minimal
Calculator/non-calculator assessments		£22,140
Spelling test at Entry Level		£13,800
Spelling/grammar checks	Minimal	
Transitional arrangements	£67,000	
Assessment delivery		No impact
TOTAL IMPACT PER FSQ awarding organisation	£ 137,620	£39,951
TOTAL IMPACT ACROSS 16 FSQ awarding organisations	£ 2.20M	£0.64M

2. Introduction

- 2.1 The Department for Education (DfE) has taken the decision to reform Functional Skills Qualifications (FSQs) in English and mathematics. Reformed FSQs in English and mathematics will be introduced for first teaching from September 2019.
- 2.2 In March 2018, we published our decisions on reforming FSQs which followed on from our policy consultation on FSQ reform.¹ Alongside this we published a Regulatory Impact Assessment based on the limited information that was available at that time.
- 2.3 In March 2018 we also published a technical consultation². This explained our detailed proposals for regulating reformed FSQs in English and mathematics and consulted on the draft rules and guidance we propose to put in place to regulate the new FSQs.
- 2.4 As part of the technical consultation, we set out where we thought the detailed proposals were likely to have an incremental impact. These were:
- assessment strategies
 - technical evaluation
 - reporting Pass/Fail grading
 - monitoring of speaking, listening and communicating assessments
 - evidence used in setting specified levels of attainment
 - passing components at the same level for FSQs in English
- 2.5 Alongside this document, we have published the decisions that we have taken following on from our technical consultation.
- 2.6 This document sets out our considerations of the regulatory impact of the decisions we have taken, based on information provided by awarding organisations and others who responded to our consultation and further information requests with details of the impacts of our proposals.

¹ www.gov.uk/government/consultations/reforming-functional-skills-qualifications-in-english-and-maths

² www.gov.uk/government/consultations/implementing-functional-skills-reform

Scope of this impact assessment

- 2.7 We did not consider costs that relate directly to the DfE's decision to reform FSQs. This includes costs related to awarding organisations' design, development and delivery of the new qualifications, and costs that relate to the DfE's approach to the subject content for reformed FSQs.
- 2.8 These costs are not as a direct result of Ofqual's proposals around its regulatory approach, so lie outside of our control.

Methodology

- 2.9 In our consultation on Implementing Functional Skills reform³ in March 2018, we invited respondents to comment on any regulatory impacts we had not identified, and on any additional measures we can take to ensure the regulatory impact of our proposals is manageable and justifiable.
- 2.10 In April 2018, we wrote to the awarding organisations currently offering, and those who have expressed an interest in offering FSQs, seeking detailed assessments of the estimated financial impact of several proposals set out in our technical consultation. These were:
- assessment strategies
 - technical evaluation
 - reporting Pass/Fail grading
 - monitoring of speaking, listening and communicating assessments
 - evidence used in setting specified levels of attainment
 - passing components at the same level for FSQs in English
- 2.11 In May 2018, 14 awarding organisations responded to our information request. All 14 of these awarding organisations currently offer FSQs.
- 2.12 The estimated impact of some of our proposals varied considerably between awarding organisations. To avoid a single outlying response distorting the average financial impact, we have (unless expressly stated otherwise) used the truncated mean to establish an impact that gives a truer indication of expected costs. The truncated mean involves removing the highest and lowest estimates returned by awarding organisations and calculating the mean of the remainder.

³ www.gov.uk/government/consultations/implementing-functional-skills-reform

2.13 We include in this document a section on assessment delivery. We did not ask awarding organisations for estimated costs of our proposals here, since we are not requiring changes in approach, but are removing a current restriction on awarding organisations from marking assessments at Entry levels.

3. Assessment strategies

We have decided that awarding organisations must:

- establish, maintain, comply with and keep under review an assessment strategy for each new FSQ they offer
- ensure their assessment strategy sets out how they will comply, on an ongoing basis, with all of the rules that apply to new FSQs
- include in their assessment strategies information and evidence covering the awarding organisation's approach to assessment design and approach; assessment development and delivery; centre assessment and moderation; and standard setting and maintenance
- review their assessment strategy when we ask them to, and make any changes we request to it, and to how they comply with it

3.1 The Regulatory Impact Assessment⁴ we published in March 2018 included a cost estimate for awarding organisations developing and maintaining assessment strategies.

3.2 In our technical consultation⁵ we set out the draft Conditions we intended to implement to give effect to our proposals, as well as the draft assessment strategy requirements which set out the minimum information and evidence that the assessment strategies needed to contain. We have decided to adopt these Conditions and requirements, largely unchanged.

3.3 In April 2018, we sent awarding organisations a further information request which asked them to confirm whether the more detailed proposals set out in our technical consultation would change their original estimates of developing an assessment strategy for their new FSQs.

3.4 In this consultation, we only consider whether setting specific requirements for the content of an assessment strategy will impose an incremental burden.

Analysis of information from awarding organisations

3.5 Of the 14 awarding organisations who responded to our request:

- two did not provide any cost information in relation to this proposal

⁴ www.gov.uk/government/consultations/reforming-functional-skills-qualifications-in-english-and-maths

⁵ www.gov.uk/government/consultations/implementing-functional-skills-reform

- one cited a figure over £50,000, which appears to include the underlying costs of designing and developing the structure of qualification assessments, rather than simply the cost of producing the strategy document
- the remaining 11 awarding organisations cited costs between £2,500 and £24,000

3.6 Smaller awarding organisations included the cost of recruiting external consultants where specialist assessment skills were needed but were unavailable amongst existing staff.

3.7 The incremental costs highlighted in the individual assessments were:

- staff time for development of documentation, including consultation with stakeholders (both internal and external)
- external consultants to assist in development

3.8 We think the best estimate of the cost impact on awarding organisations is given by excluding the high cost estimate, which included costs not properly attributable to producing the assessment strategy document, then calculating a truncated mean of the remaining 11 responses, excluding the top and bottom figures and taking a mean of the remaining nine cost estimates.

Total one-off cost for developing an assessment strategy document (truncated mean)

£7,790 for each awarding organisation

Conclusion

3.9 We think that despite the burden (both in terms of time and financial costs) that this decision will place on awarding organisations, it is necessary. As we set out in our consultation, we plan to review the new FSQs before they are made available to learners. As a part of this review, we will consider the information that is set out in the assessment strategy. The information set out in these documents will play a vital role in helping us to determine whether the approach an awarding organisation takes is likely to produce qualifications that are robust and fit for purpose, and meet our rules.

4. Technical evaluation

We have decided to require awarding organisations to:

- notify us at an early stage that they intend to make any new FSQs available
- provide us with any information we request to support our evaluation of the qualification
- wait for us to communicate the outcome of our evaluation before making the new FSQs available
- make any changes we require to their assessment approach, which, depending on the exact nature of the changes required, could be needed before or after they make the qualification available

- 4.1 In our technical consultation⁶ we set out the draft Conditions we intended to implement to give effect to our proposals. We have decided to adopt these Conditions unchanged.
- 4.2 The Regulatory Impact Assessment⁷ we published in March 2018 included a cost estimate for awarding organisations to engage with the evaluation process. The figures provided included consideration of the number of staff that may be involved in the process, and an initial estimate of the time and costs for an individual or team to make amendments to a qualification.
- 4.3 At that time we set out that awarding organisations would need to submit information to us about their reformed FSQs, principally:
- their assessment strategies
 - sample assessment materials (SAMs)
- 4.4 Awarding organisations told us in response to our first information request that they would produce SAMs for these new qualifications as a matter of course, as they are an invaluable resource for centres to prepare learners. As a result, we did not consider that there will be an incremental cost of requiring SAMs to be produced.
- 4.5 We also did not include in the figures relating to technical evaluation the cost to awarding organisations of producing assessment strategies, as this was included separately within the Regulatory Impact Assessment.

⁶ www.gov.uk/government/consultations/implementing-functional-skills-reform

⁷ www.gov.uk/government/consultations/reforming-functional-skills-qualifications-in-english-and-maths

- 4.5 In April 2018 we asked awarding organisations to consider the costs relating to the technical evaluation process again, and consider based on the proposals we put forward whether they needed to change their original estimates.
- 4.6 We recognise the difficulty awarding organisations faced in providing us with a detailed estimate of the costs involved without sight of the details of our proposed process for technical evaluation. We also acknowledge that costs will depend on the level of feedback received in individual cases. However, we asked for views on anticipated costs at this early stage based on the information available, making reference to the respondents' previous estimate where appropriate.

Analysis of information from awarding organisations

- 4.7 Since the cost that relates to the technical evaluation process will depend entirely on the level of feedback received from Ofqual, and the number and level of any changes needed, it is difficult to estimate what the actual costs of this process are likely to be, and so the figures set out below should be treated with some caution.
- 4.8 Eight awarding organisations gave figures relating to the cost of a single revision cycle for each of 10 qualifications, being five levels across two subjects. These cost estimates ranged from £2,400 to £12,500.

Total one-off cost for completing the Technical Evaluation process (truncated mean)

£6,283 for each qualification, so

£62,830 for each awarding organisation

Other impacts

- 4.9 As we set out in our earlier Regulatory Impact Assessment, the introduction of an upfront technical evaluation process will place additional burden on awarding organisations aside from that which relates to the production of assessment strategies and SAMs. For example, we may require awarding organisations to provide us with additional documentation, and if we identify issues with the qualifications that are submitted to us we may place requirements on awarding organisations to take particular action to address issues with the qualification.
- 4.10 One outcome of the process is that we may prevent an awarding organisation from making their new FSQ available to learners until such a time as they have addressed issues that we have identified. In addition to the impact that this would have on awarding organisations, this may also impact on centres as the

qualification may not be made available to them as soon as it would be if we were not undertaking a technical evaluation.

Conclusion

- 4.10 We consider that any burden imposed through the introduction of the technical evaluation process is necessary. FSQs are the highest volume qualifications that we regulate after GCSEs. In certain contexts they form a part of accountability measures, and they are used as part of apprenticeships. It is therefore important that before the new FSQs are made available to learners, we review them and determine whether the approach an awarding organisation takes is likely to produce qualifications that are robust and fit for purpose, and meet our rules.
- 4.11 Despite the impacts raised in the section above, the upfront technical evaluation approach we are adopting in respect of new FSQs has been designed to be more flexible and targeted than our accreditation process for GCSEs and A levels and this should help to mitigate some of the impacts that could arise through a less flexible approach.

5. Grading

We have decided that:

- awarding organisations must issue Pass/Fail results for each component in English, and for the qualification as a whole in mathematics
- require awarding organisations to issue certificates to learners who have achieved an overall 'Pass' for the qualification, awarding organisations will not have to issue a certificate showing an overall 'Fail' grade
- permit, but do not require, awarding organisations to include additional information, such as attainment at component level, on certificates

- 5.1 In our technical consultation, we had proposed to mandate a common approach to issuing results, so that all learners who do not meet the required standard receive a result of 'Fail'.
- 5.2 We asked awarding organisations to provide an estimate of the expected costs and impacts of implementing this proposal, as we were aware that while many awarding organisations already issue a 'Fail' result, some issue other results, such as 'Not classified'.

Analysis of information from awarding organisations

- 5.3 Ten awarding organisations responded to this aspect of the consultation. Of these, eight stated that the proposal would incur no costs for them. One respondent estimated the cost at £200, to amend their database from 'Not achieved' to 'Fail'. The final reply stated the cost would be zero if no system development work was required, but may cost £14,000 if remedial system development was necessary.

In view of all responses received, we consider that our approach will have minimal incremental cost on awarding organisations. However, we recognise that some awarding organisations may face additional costs related to system changes.

Conclusion

- 5.4 We think it is important that results are reported consistently across all new FSQs. For example, it could be confusing for learners (and other qualification users) if one awarding organisation issued a result of 'Fail', and another issued a result of 'Not Classified', when both are intended to mean the same thing. We therefore consider that the costs associated with our decision are justified.

6. Monitoring of speaking, listening and communicating assessments

We have decided to require awarding organisations to ensure their monitoring of Speaking, listening and communicating assessments includes:

- both
 - annual scrutiny of each centre's marking
 - at least every three years, reviews of each centre's processes and controls
- While we ordinarily expect awarding organisations to meet these requirements through a combination of in-person visits and other activities (for example, reviewing recordings of assessments), it will be for individual awarding organisations to determine the appropriate balance of those activities.

6.1 We had proposed in our technical consultation that awarding organisations, as a minimum, must conduct a monitoring visit at least once a year for centres that deliver speaking, listening and communicating assessments. We asked awarding organisations to estimate the expected costs and other impacts of implementing our proposed requirement.

Analysis of information from awarding organisations

6.2 Thirteen awarding organisations responded to this proposal, giving indications of their current monitoring arrangements. Of these, ten already visited their centres annually and so did not consider this proposal would have incremental costs.

6.3 Two awarding organisations stated their current monitoring arrangements meant centres were only visited every three years. A requirement to increase this frequency to annually would incur costs which they estimated at between £180,000 and £251,000 per year.

6.4 A final awarding organisation only visited 10% of centres per year, relying instead on comprehensive postal submissions and reviews of assessment DVD recordings. They stated that increasing physical visits to 100% would cost £350,000 per year.

6.5 As set out above, the decision that we have taken following our technical consultation has moved us away from requiring awarding organisations to conduct annual visits to each centre, though there will still need to be annual scrutiny of each centre's marking. Since respondents have set out that they either already conduct centre visits, or have in place existing procedures for monitoring their current speaking, listening and communication assessments

remotely on an annual basis, we consider that the new proposed requirements are unlikely to impose an incremental burden on awarding organisations.

In view of all responses received, we consider that our requirements around the monitoring of speaking, listening and communicating assessments will have minimal incremental cost on awarding organisations.

Other impacts

- 6.6 Respondents to our technical consultation commented that the monitoring arrangements we proposed would impact on centre time and resources, as they would have to make arrangements for the annual awarding organisation visits.
- 6.7 Respondents also noted that there might be an impact on learners who are observed taking their speaking, listening and communicating assessments as part of the proposed monitoring arrangements.

Conclusion

- 6.8 We think that despite the burden that our proposals may lead to for awarding organisations, centres and learners, they are necessary to ensure that centres:
- have appropriate processes in place to enable them to mark assessments accurately and consistently assessment decisions; and
 - are marking assessments accurately and consistently.
- 6.9 We have taken steps to ensure that the approach we require is less prescriptive than we consulted on in our technical consultation. For example, we are not now requiring awarding organisations to conduct in-person centre monitoring visits on an annual basis, and instead we are requiring awarding organisations to ensure:
- annual scrutiny of each centre's marking
 - at least every three years, reviews of each centre's processes and controls
- 6.10 While we would ordinarily expect awarding organisations to meet these requirements through a combination of in-person visits and other activities (for example, reviewing recordings of assessments), it will be for individual awarding organisations to determine the appropriate balance of those activities. Awarding organisations will need to explain the approach they are taking within

their assessment strategy, and we will consider this as part of our technical evaluation process.

- 6.11 This is a more flexible approach than we consulted on, and it will allow awarding organisations to take the approach that works best for them and their centres, which should help to mitigate some of the impacts that could arise through a less flexible approach.

7. Evidence used in setting specified levels of attainment

We have decided to set rules which require awarding organisations to have regard to an appropriate range of quantitative and qualitative evidence in setting and maintaining standards in new FSQs. We set out that the range of evidence will only be appropriate if it includes evidence of:

- the level of demand of the assessment
- learners' attainment (based on the performance of either learners who have completed the assessment or the performance of individuals used to pre-test it)⁸
- performance of learners who have previously achieved the qualification (this will only apply following the first time that the new qualifications have been awarded)
- where available, learners' prior attainment

7.1 We asked awarding organisations to estimate the expected costs and impacts of implementing our proposed requirements.

Analysis of information from awarding organisations

7.2 Only five respondents provided cost information in relation to our request. One respondent was clear these requirements were already covered by existing processes, so the cost was not incremental. The remaining four respondents were not clear whether the costs information they provided were already being incurred in relation to their current qualifications. The costs information they provided ranged from £2,500 to £5,800.

Annual cost for evidence used in setting specified levels of attainment

£4,011 for each awarding organisation

Conclusion

7.3 Awarding organisations will, as part of their arrangements for setting and maintaining standards in their current FSQs, already be considering evidence in determining where they set their pass marks. We therefore expect the impact of our requirements in cost terms to be relatively limited. However, there may be a costs impact where our rules mean that awarding organisations need to use or

⁸ At the Entry levels this is only required where such evidence is available.

gather additional evidence to support the setting and maintenance of standards in new FSQs.

- 7.4 We think it is important that standards in new FSQs are set and maintained based on an appropriate range of quantitative and qualitative evidence. This is so that there can be confidence in the outcomes for new FSQs. We therefore consider that the costs associated with our decision are justified.

8. Requirement to pass all three components at the same level in English

We have decided to prevent learners from being able to aggregate outcomes from components taken at different levels in English

- 8.1 At present awarding organisations must permit learners to aggregate results from components taken at different levels to receive a qualification in English. The qualification the learner receives is at the lowest level of the three components.
- 8.2 We asked awarding organisations to consider whether our change in approach would lead to any additional impacts for them.

Analysis of information from awarding organisations

- 8.3 Ten awarding organisations provided responses in relation to this issue. Of these, nine stated that the proposal would incur no costs for them. One respondent stated that the cost would be zero if no system development work was required, but could cost up to £84,000 if significant remedial system development was necessary.

In view of all responses received, we consider that our approach will have minimal incremental cost on awarding organisations. However, we recognise that there is the potential for some awarding organisations to face additional costs related to system changes.

Other impacts

- 8.4 We set out in our decisions document that respondents to our consultation had commented that this approach could disadvantage learners with stronger skills in some areas but weaker in others.

Conclusion

- 8.5 While the current approach gives flexibility for learners; allowing aggregation of components from different qualification levels makes it considerably more difficult to set qualification-level standards, compromising awarding organisations' ability to maintain standards over time, which is why we have decided to prohibit this in the reformed qualifications.

9. Assessment with and without a calculator for FSQs in mathematics

We have decided to permit awarding organisations to use either separate calculator and non-calculator assessments, or a single combined assessment with separate calculator and non-calculator sections.

- 9.1 The subject content for reformed FSQs requires the assessment of underpinning knowledge and skills both with and without a calculator. We are therefore introducing into the new FSQs requirements relating to assessing knowledge and skills without a calculator.
- 9.2 During the policy consultation phase, we asked awarding organisations to estimate the costs and other impacts of each of the following approaches:
- setting a requirement for a separate non-calculator assessment (the separate papers option)
 - setting a requirement for a single assessment which has a calculator section, and a non-calculator section for which access to a calculator is prohibited (the combined paper option)
- 9.3 Following our consultation, as set out above, we have decided to allow either approach, though we are requiring awarding organisations to use a single component, and to set a single pass mark at component level.

Analysis of information from awarding organisations

- 9.4 In the Regulatory Impact Assessment which followed on from our policy consultation, we included an estimate of the costs relating to the introduction of non-calculator based assessment. We have updated this analysis (see below) to include a response from an additional awarding organisation.
- 9.5 Of the 14 awarding organisations who provided cost information:
- two did not provide any cost information about assessing calculator and non-calculator based skills
 - two told us that any incremental cost of this proposal would be minimal
 - two cited figures well in excess of £100,000, in both cases, these appear to be estimates of the overall costs of designing and developing the

assessments themselves, rather than the incremental cost of producing separate calculator and non-calculator assessments

- the remaining eight awarding organisations cited additional annual costs between £2,500 and £48,000 (for the separate papers option), and between £nil and £35,000 (for the combined paper option)

9.6 Only two awarding organisations said costs would be different between the separate papers option, and the combined paper option. One awarding organisation gave no costs for the combined paper option, stating this was “not feasible”.

9.7 In summary, the types of incremental costs highlighted in the individual assessments were:

- staff time for developing two papers, rather than one
- costs around marking two papers, rather than one
- more complex logistics for centres, requiring further training
- increased invigilation costs for centres

9.8 We think the best estimate of the cost impact on awarding organisations is given by excluding those cost estimates which include costs not properly attributable to producing separate calculator and non-calculator assessments. This leaves seven responses for the Separate Papers Option, so a truncated mean of these responses has been used. For the Combined Papers Option only three respondents provided appropriate estimates, so a normal mean cost has been quoted below for this option.

Separate papers option

Annual cost of the separate papers option	£22,140 for each awarding organisation
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Combined paper option

Annual cost of the combined paper option	£23,290 for each awarding organisation
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Other impacts

9.9 We acknowledge that this requirement will have an impact on centres. Responses from several awarding organisations as well as respondents to our technical consultation referenced the additional logistical and invigilation burden the separate paper option would place upon centres. Other respondents to our technical consultation commented that a single assessment covering both calculator and non-calculator based mathematics could be burdensome on learners and could cause difficulties for those administering the assessments.

Conclusion

9.10 The introduction of non-calculator based assessment arises as a result of the Department for Education's subject content requirements, and we therefore cannot avoid imposing a burden on awarding organisations and centres in respect of there being non-calculator assessment in the new FSQs.

9.11 However, we have decided to implement our rules around the non-calculator assessment in a way which gives awarding organisations the flexibility to decide whether they offer a single assessment with calculator and non-calculator sections, or whether they offer two separate assessments.

9.12 This provides scope for awarding organisations to take decisions that minimise burden both on themselves and on their particular centres.

10. Requiring a spelling test in Entry Level English

We have decided to:

- require awarding organisations to assess the spelling expectations using a dedicated task that samples 10 words from the subject content
- require awarding organisations to cover all words and types of words which the subject content sets out as the spelling expectations over as few iterations of assessments as possible
- require awarding organisations to take all reasonable steps to ensure that the approach they take to coverage of the spelling expectations leads to assessments that are comparable and not predictable

10.1 The subject content sets out specific reading and spelling expectations for learners at each of the Entry levels. We have decided to require awarding organisations to assess the spelling expectations using a dedicated spelling test. This can either be approached as a separate assessment or included as a dedicated section of a single writing assessment alongside the written composition element.

10.2 We consulted on this approach within our technical consultation.

Analysis of information from awarding organisations

10.3 Nine awarding organisations responded to this element of the technical consultation. However, none raised any concerns relating to any incremental burden being imposed by the introduction of the spelling test, nor did they provide any financial impact information.

10.4 The inclusion of this new requirement was one of the reasons for the slight increase in assessment times for Entry level English. The proposals to include non-calculator assessment in the five mathematics FSQs added a similar amount of assessment time and responses from awarding organisations indicated a total cost for these of around £23,000.

10.5 For the three Entry Level English assessments, therefore, we have assumed the additional assessment content will have an incremental cost proportionate to that expected for mathematics FSQ, although, in reality, this is likely to overstate the burden, since this Entry Level spelling content is likely to be less onerous to develop than the mathematics assessment content across all levels.

Annual cost for incremental assessment in Entry level English

£13,800 for each awarding organisation

Other impacts

10.6 We acknowledge that this requirement will have an impact on centres. For example, there could be an additional logistical and invigilation burden relating to their being two separate assessments; while a single assessment could be burdensome on learners and could cause difficulties for those administering the assessments.

Conclusion

10.7 The introduction of a spelling test arises as a result of the reading and spelling expectations set out in the Department for Education's subject content. As set out in our decisions document⁹, we remain of the view that the only valid way to assess the full range of the spelling expectations is through a dedicated spelling test. We therefore cannot avoid imposing a burden on awarding organisations in this respect.

10.8 However, we have decided to implement our rules around the spelling test in a way which gives awarding organisations the flexibility to decide whether they offer a single assessment including a spelling test section and a written composition section, or whether they offer two separate assessments.

10.9 This provides scope for awarding organisations to take decisions that minimise burden both on themselves and on their particular centres.

⁹ Insert link to decisions document

11. Preventing access to external spelling and grammar checks in the writing assessment

We have decided to introduce a requirement that prohibits access to spelling and grammar checks in the Writing assessment.

- 11.1 The subject content for new FSQs in English require learners to be tested on their underpinning skills, and at the Entry levels there is an additional requirement that learners should be assessed on the spelling of specific words and types of words. We therefore decided to introduce a requirement that prohibits access to spelling and grammar checks in the writing assessment
- 11.2 During the policy consultation phase, we asked awarding organisations to estimate the costs and other impacts that would arise from this requirement.

Analysis of information from awarding organisations

- 11.3 Ten awarding organisations told us that this proposal would have no incremental cost. Two indicated minimal costs of £1,000 and £3,120 which, for the latter, included training for centres. Our view is that the cost of training could be incorporated into the wider training for the reformed qualifications with no incremental training time needed.
- 11.4 Only one respondent indicated a potential system cost to ensure their platform did not allow unprompted spelling or grammar checks; they estimated this cost to be £10,000.

In view of all responses received, we consider that our decision will have minimal incremental cost on awarding organisations. However, we recognise that some awarding organisations may face additional costs related to system changes.

Conclusion

- 11.5 We are of the view that allowing learners to have access to spelling and grammar checks during their writing assessments would undermine the assessment of their underpinning skills, which is a requirement of the subject content. We therefore consider that the costs associated with our decision to prohibit spelling and grammar checks within the writing assessment are justified.

12. Transitional arrangements

We have decided that:

- there should be a transition period between the current and new FSQs which should take place as soon as reasonably practicable, but in a way that ensures, as far as possible, that learners are not disadvantaged by the arrangements
- there should be a maximum 12-month overlap period between the current and new FSQs

12.1 In our initial policy consultation we proposed to require awarding organisations to continue to offer current FSQs alongside new FSQs for a minimum of nine months, and up to a maximum period of 12 months following the first teach date in September 2019, and we asked awarding organisations to provide an estimate of costs related to running current and new FSQs in parallel for nine months. We set out our full analysis of those responses in the March 2018 RIA¹⁰.

12.2 Following the policy consultation we took the decision not to require a minimum period during which awarding organisations would be required to run both versions of the qualification.

Analysis of information from awarding organisations

12.3 The estimates provided by awarding organisations indicated an average cost for a nine-month transition of £50,260 per awarding organisation.

12.4 We proportionately increased the costs indicated by the awarding organisations to arrive at the estimated cost of an awarding organisation offering the maximum transition period of 12 months.

One-off maximum cost relating to a 12-month transition period (truncated mean)

£67,000 for each awarding organisation

12.5 This estimated cost represents the maximum one-off cost we expect each awarding organisation may incur if they choose to offer current FSQs alongside new FSQs for the full 12-month transition period. The costs would reduce if awarding organisations were to offer a shorter dual running period.

Impact on centres

¹⁰ <https://www.gov.uk/government/consultations/reforming-functional-skills-qualifications-in-english-and-maths>

12.6 Responses from several awarding organisations referenced the additional logistical burden that a period of dual running would place upon centres. However, the flexibility we are allowing in not setting a minimum transition period enables awarding organisations to tailor dual running to minimise the impact on centres whilst also protecting learners.

Conclusion

12.7 We consider that it will be necessary for there to be a dual running period of the current and new FSQs in order to protect the interests of learners.

12.8 We have however acted to minimise the impact on awarding organisations who will offer and award both current and new FSQs in the same period by not requiring a minimum dual running period.

12.9 Each awarding organisation will need to plan the withdrawal of its existing FSQs in the way that best works for its approach to assessment within a maximum 12-month transition period, taking into account the need to protect the interests of learners taking its qualifications.

12.10 We consider that this should minimise the regulatory impact of the transitional arrangements on awarding organisations.

12.11 Awarding organisations are required under our General Conditions of Recognition (Condition D7) to take all reasonable steps to protect the interests of learners in relation to that qualification whenever they are planning the withdrawal of a qualification. We therefore consider that this approach is appropriate to protect the interests of learners.

13. Assessment delivery

- 13.1 In most cases, we are retaining existing approaches to setting, contextualising and marking assessments for FSQs.
- 13.2 However, we have decided to lift current restrictions that prevent awarding organisations from marking assessments at the Entry levels and the speaking, listening and communicating assessments at Levels 1 and 2.
- 13.3 This change simply gives awarding organisations an additional option, it does not require any changes to existing approaches.
- 13.4 As such, we do not consider it causes an unavoidable cost impact on awarding organisations.

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