

Ofqual's approach to the Growth Duty



Ofqual's role

Ofqual is the independent qualifications regulator for England. We regulate GCSEs, AS and A levels, National Curriculum assessments, and a broad range of vocational and technical qualifications. We are also an External Quality Assurance provider for organisations offering some apprenticeship end-point assessments.

Our statutory objectives and duties guide the way that we regulate ensuring that we maintain standards and public confidence in regulated qualifications. We play a fundamental role in the safe delivery of millions of qualifications certified in England each year. Our work means that those who rely on these qualifications can have confidence in them.

One of our statutory duties is to minimise unnecessary regulatory burden on awarding organisations. We do this by:

- introducing rules only where they are necessary to maintain standards in qualifications
- taking a flexible risk-based approach to regulation, targeting the issues of greatest concern to the sustained provision of sufficiently valid qualifications.

Each year we publish a [regulatory burden statement](#) outlining how we have complied with this duty.

The Growth Duty

In March 2017 the Growth Duty (set out in section 108 of the Deregulation Act 2015) came into force for a number of UK regulators, including Ofqual. The Growth Duty requires us to:

- have regard to the desirability of promoting economic growth when exercising our regulatory functions
- as part of this, consider the importance for the promotion of economic growth of exercising regulatory functions in a way which ensures action is only taken when it is needed, and that any action taken is proportionate

The term 'regulatory functions' is defined broadly. We exercise our regulatory functions when we require an awarding organisation to do something or not to do something. We also exercise them when we guide an awarding organisation in a particular direction, including through statutory guidance and enforcement action.

Ofqual's impact on economic growth

Regulation by Ofqual can have a positive impact on the economic growth of awarding organisations. For example:

- it enables regulated awarding organisation to offer qualifications that are studied in state and publicly funded schools and colleges
- qualifications regulated in England, which are attractive to the international market and where Ofqual regulation is sometimes a requirement, can bring a wider benefit to awarding organisations
- users of qualifications such as employers or higher education providers are more likely to demand a regulated qualification because it provides confidence that the qualification maintains an overall standard
- our continuous improvement of regulation drives efficiencies and innovation in areas such as system development or customer services

However, we are mindful that when we carry out our regulatory functions, including when taking enforcement action, we may have a negative impact on economic growth:

- becoming or staying compliant with our rules can impact on the actual or potential growth of the individual awarding organisations we regulate. Complying with our rules uses resources that could otherwise be used to grow an awarding organisation's business. Our regulatory decisions might also restrict the parts of the qualifications market an individual awarding organisation can access.

Our regulatory activity also has an effect on how well the qualifications market as a whole functions. Our actions help ensure that the qualifications market is efficient, delivering qualifications of the required standard to those that use and rely on them. In turn, this contributes to equipping England's workforce with the necessary knowledge, skills and understanding to support productivity and helps maximise the growth of the economy as a whole

Applying the desirability of promoting economic growth

We consider these impacts when carrying out our regulatory functions and balance them in a way that best delivers on our growth duty obligations. For example, a decision to take enforcement action may well negatively affect the ability of the specific awarding organisation to grow. It also has an impact on the qualifications market as whole, by:

- reducing the risk of non-compliant activity or behaviour that undermines necessary regulatory protections
- supporting the growth of other awarding organisations that comply with our rules
- helping maintain standards and public confidence in qualifications

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Any enquiries regarding this publication should be sent to us at:

Office of Qualifications and Examinations Regulation

Spring Place
Coventry Business Park
Herald Avenue
Coventry CV5 6UB

Telephone 0300 303 3344