High Level Mapping of the Regulated Qualifications System in England, Wales and Northern Ireland

Study undertaken on behalf of the Office of the Qualifications and Examinations Regulator

PRICEWATERHOUSE COOPERS ⟪PwC⟫

Contents

Executive Summary

The Office of the Qualifications and Examinations Regulator (Ofqual), in conjunction with the Department for Children, Education and Lifelong Learning and Skills (DCELLS) in Wales, and the Council for the Curriculum, Examinations and Assessment (CCEA) in Northern Ireland, commissioned PricewaterhouseCoopers LLP (PwC) to provide a high level mapping of the regulated qualifications system in England, Wales and Northern Ireland. This is the first strand of a high level study of the system being carried out during 2008-2009. The mapping work commenced in October 2008 and concluded in December 2008.

About the study

The terms of reference for this study were:

To develop a regulated qualifications systems map

To identify and map all organisations contributing to the demand side and supply side of the system, to include DCSF, DIUS, the relevant government departments and agencies in Wales and Northern Ireland, the qualifications regulators, LSC, sector skills councils, awarding bodies and centres.

The mapping should show clearly the influences exerted by each organisation on the system and the direction of those influences.

To identify the 'as is' determinants, drivers and sources of funds and constraints on expenditure on the demand side

To provide:

- An analysis of the determinants of expenditure on qualifications by centres, including trends over 5-10 years

- Identification of the main drivers of expenditure by centres and their relative importance

- The sources of funds and constraints on expenditure.

To identify the 'as is' determinants and drivers of cost on the supply side

To provide:

- An analysis of the determinants of supply costs, including trends over 5-10 years

- Identification of the main drivers of supply costs and their relative importance.

To provide a modified version of the 'as is' mapping to incorporate major changes to the regulated qualifications system coming on stream over the next five years

These changes will include inter alia, the introduction of the Qualifications and Credit Framework, the new Diploma qualification and the recognition of employers as awarding organisations. The modified version of the mapping will show the influences exerted by organisations and the direction of those influences resulting from the changes to the system.

Status and purpose of this report

This is a final report. It is an independent report based on findings collected through the methodology outlined below. A draft final report was shared with the Steering Group for this review, and the detailed maps were shared with those who provided evidence to it. We have taken account of the comments we received, and are grateful to all those involved for their help.

This first step in the high level study of the system is not intended to provide new information to Ofqual, CCEA and DCELLS rather it is intended to draw together a map of the qualifications system and identify costs drivers and determinants that can inform the next stages of a wider efficiency study.

This study has:

- Reviewed the whole regulated qualifications system, and considered a range of interfaces and interactions including areas which are not necessarily within the ability or powers of a qualifications regulator to alter or control

- Instigated conversations about cost drivers with many of the key stakeholders

- Developed information and tools to help stakeholders discuss, identify and understand where costs are driven and determined within the system - and how the actions or decisions of one group or one organisation can affect the costs of another

- Identified a number of heatspots that stakeholders view as high cost

- Provided recommendations for the next steps of a wider efficiency study.

Methodology

PwC developed and agreed an evidence based approach in addressing the needs of the study using either established secondary data or views collected as evidence through consultations to inform our findings.

The main steps in our work were to

- Develop mapping data collection tools

- Identify through desk-based research the organisations operating in the system and group these into types wherever possible

- Identify through desk-based research the different functions in the qualifications delivery chain (for example assessment and award or design of qualifications)

- Identify through desk-based research all regulated qualification types and group these qualifications

- Identify through desk-based research the drivers and determinants of cost and expenditure and the different activities that relate to different types of qualifications

- Populate a set of maps using the desk-based information to illustrate inter-organisational relationships amongst stakeholders in the qualifications system

- Consult with a range of stakeholders within the system to validate and supplement all of our findings through a range of interviews, meetings and an awarding organisations workshop

- Amend our findings to reflect comments received after further circulation of our findings

- Develop final report and appendices.

 There are three important caveats to the maps:

- Their purpose is to provide a system-wide view. They do not enable every individual aspect of the system to be captured or every organisation's sometimes unique circumstances to be included. Where these have been identified they have been noted in commentary alongside the maps

- We are confident that we have delivered a report which is fit for the purpose of creating a reasonable understanding of the system's main flows, costs and determinants, and therefore provides a sound basis for the next stages of a wider efficiency study. We accept that a full consensus from every interested party on every aspect of this report is unlikely, given the complexity of the system and the diversity of views within it

- This high level mapping of the system is not an 'end to end' review. It has not been within the remit of this study to collect information on, or judge, the quality of outcomes of the system for the learner or to detail the step by step processes that occur within the system.

Key findings

Our key findings are drawn from our research and are summarised here under the following headings:

- Understanding the regulated qualifications system

- Considerations of the evolving landscape

- Cost drivers and determinants and potential heat spots

- Other areas for consideration.

Understanding the regulated qualifications system

For the purpose of this study we consider that the regulated qualification system is one which: identifies qualification needs, formulates policies, develops, accredits, approves, regulates, delivers and awards those qualifications to learners in England, Wales and Northern Ireland. Our study does not include teaching and learning.

High level mapping examples

Diagram one shows the influences, interfaces, direction of influence and funding flows that exist in England relating to key organisations' *primary*, highest level functions.

Diagram one – Primary influences and funding flows for the qualifications system in England
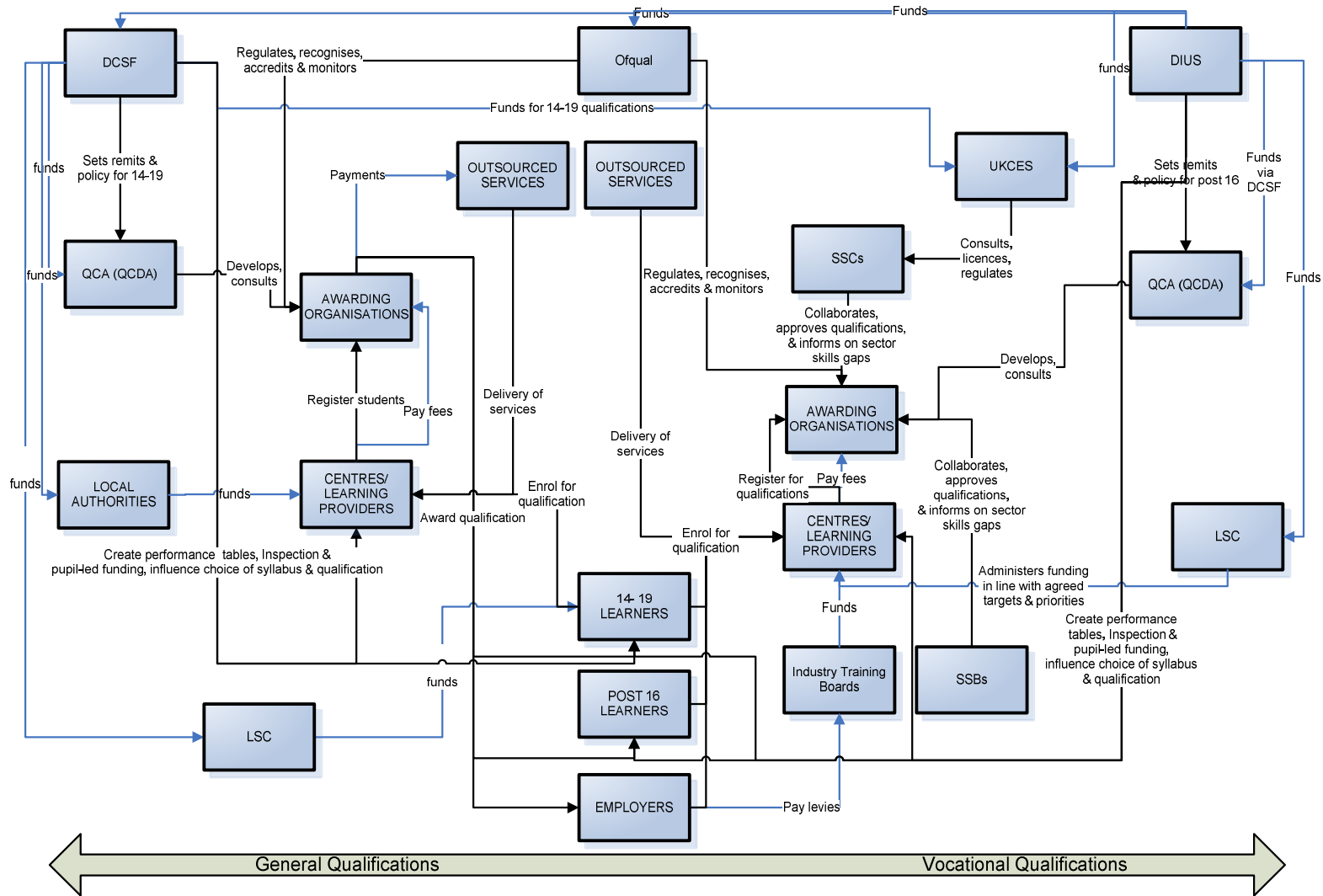
In diagram one, the blue lines show the main funding flows and the black lines show the functions. The flows mostly associated with a general qualification are shown towards the left and the flows towards the right show the vocational qualifications flow. Similar maps to this are provided in the main body of the report for Wales and Northern Ireland.
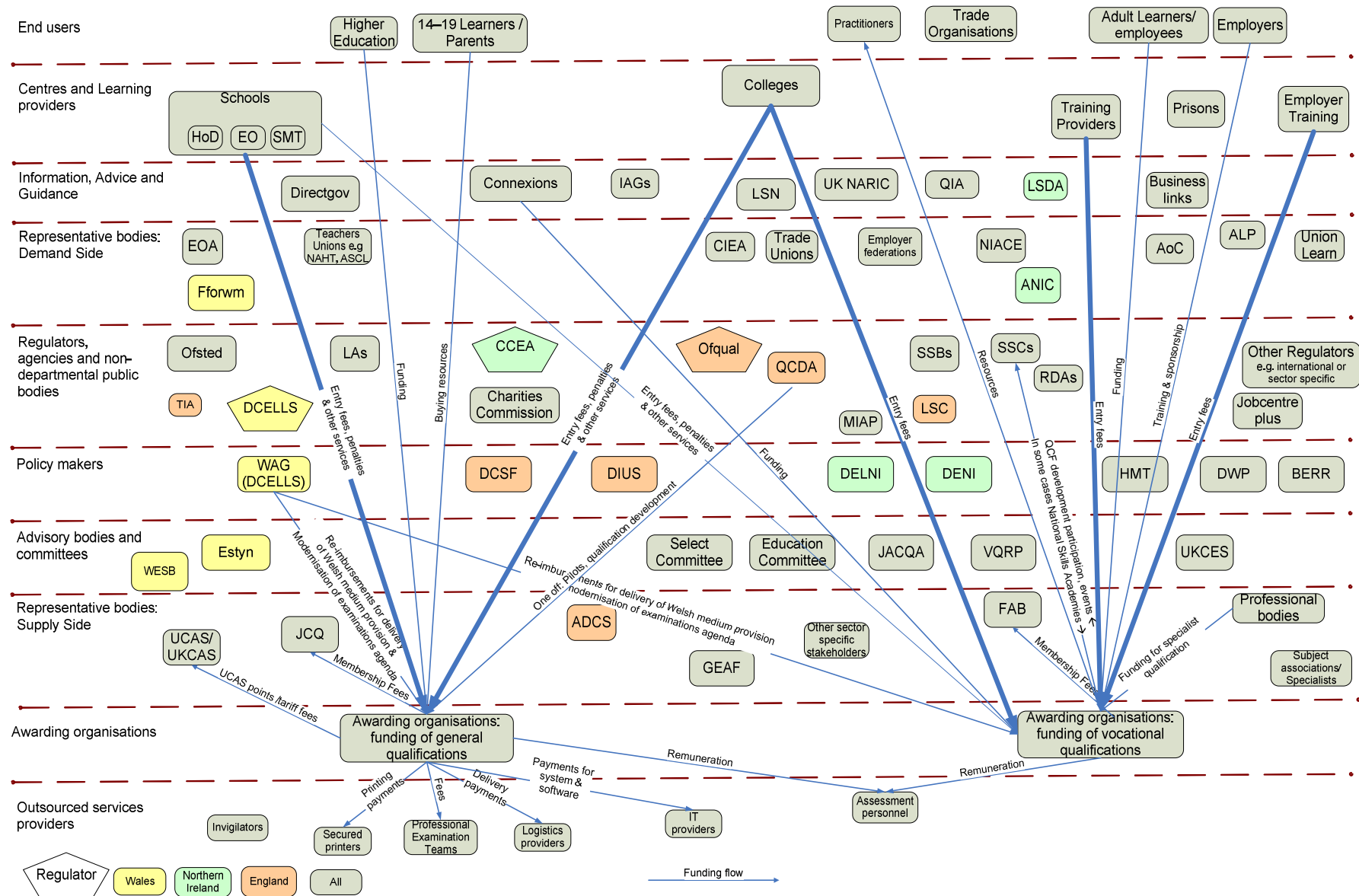
We can see from the diagram that the major funding route for qualifications within the regulated system commences with the government departments of DCSF and DIUS. Funding reaches the LSC and the Local Authorities and this funding is then transferred to the learning providers who pay awarding organisations fees for their qualifications. The awarding organisations have a number of payments that they need to make to outsourced providers as well as in-house in order to deliver this service.

Turning to the primary functions in respect of general qualifications, the DCSF sets the policy remit for the QCA (QCDA), which develops this through consultation; Ofqual regulates, recognises, accredits and monitors the awarding organisations which deliver general qualifications. Centres register their candidates with the awarding organisations for assessment; the awarding organisations then assess and award the candidates against the qualification content that the awarding organisation has developed; awarding organisations then award the qualification that the candidate deserves.

Even at the most simplified level for vocational qualifications it can be seen that there are more stakeholders, and the process for the development of qualifications is more complex, in particular with the inclusion of employers, SSCs, SSBs and Industry Training Boards in the development of the qualification.

Diagram two is an example of a map showing the next level of detail, but focused exclusively on the funding for awarding organisations. We can see that at this level of detail, the situation is far more complex.

Diagram two – Funding flows for awarding organisations in England, Wales and Northern Ireland

End users
Higher Education; 14–19 Learners / Parents; Practitioners; Trade Organisations; Adult Learners/employees; Employers

Centres and Learning providers
Schools (HoD, EO, SMT); Colleges; Training Providers; Prisons; Employer Training

Information, Advice and Guidance
Directgov; Connexions; IAGs; LSN; UK NARIC; QIA; LSDA; Business links

Representative bodies: Demand Side
EOA; Teachers Unions e.g NAHT, ASCL; CIEA; Trade Unions; Employer federations; NIACE; AoC; ALP; Union Learn; Fforwm; ANIC

Regulators, agencies and non-departmental public bodies
Ofsted; LAs; CCEA; Ofqual; QCDA; SSBs; SSCs; RDAs; Other Regulators e.g. international or sector specific; TIA; DCELLS; Charities Commission; MIAP; LSC; Jobcentre plus

Policy makers
WAG (DCELLS); DCSF; DIUS; DELNI; DENI; HMT; DWP; BERR

Advisory bodies and committees
Estyn; WESB; Select Committee; Education Committee; JACQA; VQRP; UKCES

Representative bodies: Supply Side
UCAS/ UKCAS; JCQ; ADCS; GEAF; Other sector specific stakeholders; FAB; Professional bodies; Subject associations/ Specialists

Awarding organisations
Awarding organisations: funding of general qualifications; Awarding organisations: funding of vocational qualifications

Outsourced services providers
Invigilators; Secured printers; Professional Examination Teams; Logistics providers; IT providers; Assessment personnel

Edge labels: Entry fees, penalties & other services; Funding; Buying resources; Entry fees, penalties & other services; Entry fees, penalties & other services; Funding; Entry fees; Resources; Entry fees; Funding; Training & sponsorship; Entry fees; OCF development participation, events In some cases National Skills Academies; Re-imbursements for delivery of Welsh medium provision & Modernisation of examinations agenda; One off; Pilots, qualification development; Re-imbursements for delivery of Welsh medium provision & modernisation of examinations agenda; Membership Fees; Membership Fees; Funding for specialist qualification; UCAS points /tariff fees; Remuneration; Remuneration; Payments for system & software; Printing payments; Fees; Delivery payments

Legend: Regulator; Wales; Northern Ireland; England; All; Funding flow

8

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The bold lines in diagram two above show the main funding flows that exist in the system in relation to awarding organisations, as identified by our consultees. We include in the main body of our report similar mapping illustrations for centres as well as for the whole system and we include similar mapping for information flows and material flows in the system. It can be seen from the diagram above that the flows are fewer for the funding of general qualifications than vocational qualifications and the main funding routes come from the centres to the awarding organisations.

Subsidiary funding lines flow to and from the awarding organisations but it is important that not all awarding organisations will have all of the funding flows. For those where there are more flows these may include: purchase of additional resources by learners and their parents from the awarding organisations; funding for specialist qualifications from professional bodies; and funding to take part in certain qualification development work. Funding also flows from the awarding organisations into areas such as: membership fees for organisations such as the Federation for Awarding Bodies (FAB) or the JCQ (Joint Council for Qualifications); payments to assessment personnel; and professional examinations teams.

When viewed in combination with the more simplified picture in diagram one the reader can see that whilst the funding is routed from the centres to the awarding organisations the primary funding for the centres in relation to the qualifications system comes largely from either the Learning and Skills Council (LSC) or Local Authorities. In this one example it can be seen how the maps have helped to identify that the influences exerted on the qualifications system are not therefore a straightforward relationship between awarding organisation and centre, but will also include the impact of the influences of the centres' funders and their wishes and agendas. It is from the mapping exercises that we have been able to identify the key areas within the system that add complexity, such as the relationship between purchaser, deliverer and beneficiary.

Complexities within the system

We have provided here a summary of this complexity:

- Organisations often have roles in both the demand and supply sides of the system, making a simple supply/ demand division difficult. Nonetheless such a distinction can be useful in understanding the system as a whole

- There are currently a wide variety and number of qualifications on offer in the system and although co-existing within the one system these operate under often quite different market conditions and in different market places

- There are a large, and currently growing, number of recognised awarding organisations offering qualifications in the system. These awarding organisations are heterogeneous organisations that vary considerably in size, mission, legal status, offering and funding

- There are a large number of centres who deliver qualifications to learners. Whilst these centres can be grouped into categories such as general further education colleges, schools or private training providers, such labels can hide significant complexities. Centres in the same category can diverge in, for example, the number or range of qualifications delivered

- Organisations within one category can have quite different roles within the qualifications system

- Different funding arrangements exist between the countries

- There are different organisations and processes in place in the three different countries within the system. These differences are described in the main report

- Understanding cause and effect and therefore understanding interrelationships is complex because the system does not operate on a linear supply and demand basis. Two examples of this are that there can often be a disjointed relationship between purchaser and beneficiary, and that conflicting demands for qualification development can be placed on the system at the same time.

Cost drivers and determinants and potential heatspots

The cost drivers and determinants were collected firstly through desk research, and then by discussing pre-populated tables of drivers and determinants at the qualification level with expert consultees.

The qualifications system was split into seven functions. This functional split originated from previous work completed on the qualifications system and was developed as a result of feedback received from the Efficiency Steering Group. Each function represents a section of the activities performed in the system and each was defined prior to our fieldwork. The functional split provides a useful tool from which cost drivers and determinants can be grouped and which can be used for more detailed cost based analysis in further high level mapping work.

The table below defines the functions.

Functions	Definition
Design	Drivers or determinants related to the design and development of a new or existing qualification.
Assessment and award	Drivers or determinants related to assessing and awarding qualifications.
Delivery	Drivers and determinants related to the delivery of a qualification, but not including teaching related costs.
Investment and R&D	Drivers and determinants related to investment and research and development for the improvement of an existing qualification. Or investment and research and development in areas that are cross cutting for all or a number of existing (and potentially new qualifications) such as investment in technology.
Policy	Drivers and determinants related to policy formulation such as policy research, its conceptualisation, consultation, development, implementation, maintenance, evaluation, presentation, explanation and defence.
Regulation	Drivers and determinants relating to regulation activities.
Funding	Drivers and determinants that result from different types of income received from various sources, funding decisions, allocation methodologies and funding data returns.

We have provided here the main cost drivers that we identified in the four areas of:

- Awarding organisations' cost drivers

- Centres' cost drivers

- Other organisations' cost drivers

- System wide or 'macro' cost drivers.

Awarding organisations' cost drivers (supply side)

Unsurprisingly, the highest costs for awarding organisations largely fell in the assessment and award function of the qualifications system. Awarding Organisations tended to focus on change as driving cost, although in discussion we were also able to indentify 'business as usual' drivers. Some of these drivers were attributed to internal processes and developments, and some to external factors. Specific internal drivers are shown below:

- Development of e-assessment, resulting in cost 'determinants' such as maintaining legacy systems, investing in IT systems, recruitment of staff with new skills, development of existing staff, and additional invigilation support costs

- 'Business as usual' assessment and awarding procedures - these were stated to be high cost and increasing – resulting in determinants such as question writing, tracking results, buying-in sector expertise, moderation, recruitment, carriage, and invigilation support

- Verification costs - a high but stable cost area, resulting in determinants such as staff development, process design, risk assessment, administration, and recruitment.

Examples of external factors creating cost drivers were:

- Changes in A levels, in particular changes from 6-4 units and the introduction of the A* grade. Changes such as these impacted upon the design and delivery function of qualifications. This was viewed as a medium comparative cost moving to high, dependent upon the breadth of provision an awarding organisation offered

- The introduction of Diplomas and the introduction of Functional Skills in England. As these are very separate and different qualification types they drove different activities for organisations

- Sector specific regulation was regarded as a high cost because in many cases it required a duplication of effort on the part of the awarding organisation

- Awarding Organisations often identified the role of Sector Skills Councils as a specific cost driver impacting upon the design function of qualifications.

Centres cost expenditure drivers (demand side)

Centres were more likely to link their 'business as usual' practices to cost drivers, although a number of the high cost drivers that were identified were change focused. We did not find that centres were readily able to break down costs by qualification type or by driver as many stated that this was not the way in which they considered their expenditure. Some high cost areas were identified as:

- Changes to teacher workforce contracts were identified by some as creating comparatively high costs particularly in schools where they had not previously faced costs of employing exam officers, invigilators or support staff in this way

- The introduction of Diplomas and Functional Skills in England were identified as being potential high cost areas. The Diploma was considered a high cost driver across the functions of delivery and assessment and award of a qualification

- The literature indicates that the fee attached to a qualification is not a significant factor in a centre's decision making processes around the choice of awarding organisation. Our interviews supported this, and also indicated that whilst fees are in the minds of some centres, they feel that the disruption and costs of changing provider would outweigh the financial benefits

- Late entry penalties were discussed as having the potential to be a high cost driver if the centres do not monitor and minimise their exposure to these.

Other organisations' cost drivers (for example government departments, regulators and sector skills councils)

Many of the macro cost drivers already identified above were also mentioned by policy makers, regulators, sector skills councils and other government agencies as being high cost areas for them. Specifically the following were considered as high cost drivers within the system:

- Most government organisations articulated their cost drivers in terms of either their remit or their strategic objectives

- The roles of SSCs were cited as driving cost for a number of national bodies. These roles appear to need to be more fully understood and communicated, and SSCs will need to be actively engaged in discussions about costs in the system and the impact of activities that drive cost

- Due to the layers and complexity of a high number of stakeholders within the system, stakeholder engagement and associated costs which were cited as high

- Some stakeholders considered that their costs would reduce if there were improved co-ordination and clarity of roles between policy makers, regulators, SSCs and other government agencies to reduce duplication in the system.

System wide or 'macro' cost drivers

From the above organisational perspectives, and from additional comments made by stakeholders to us, there appear to be three drivers of cost which are prevalent across the system, and identified by many stakeholders:

- The complexity of the regulated qualifications system that leads to high levels of stakeholder activity;

- Involvement and liaison between stakeholders through a number of layers without a clear understanding within the system of one another's roles; and

- Frequency of change, nature of consultation and manner of implementation of change within the qualifications system.

Considerations of the evolving landscape

So far we have focused on the system as it stands today. Looking to the future, the high cost drivers stakeholders identified were:

- The introduction of the Qualifications and Credit Framework (QCF) – this is already driving costs for awarding organisations and will increasingly do so in the future. Awarding organisations will need to populate the framework with units of qualifications, involving re-design and accreditation of units as well as increased working between awarding organisations

- The introduction of Functional Skills – this was considered to create increased costs for awarding organisations and Sector Skills Councils. Costs are exacerbated by having three different frameworks in place: England is switching from Key Skills to Functional Skills; Wales is continuing to use Key Skills; and Northern Ireland uses Essential Skills and Key Skills

- The introduction of the Diploma in England – cost drivers included providing information to the Diploma Aggregation Service; staff development; printing of support materials; the modification or implementation of IT systems; and increased inter-awarding body working to ensure delivery of Diplomas, because it is a composite qualification

- Many respondents discussed the possible rising costs associated with investment in e-assessment

- Some respondents discussed the increasing size of the awarding organisations market place (in line with the introduction of employers as recognised awarding organisations) as a possible change that could increase cost across the system, although impacts were largely thought to be unknown.

The report provides further detail on the possible high cost areas of the future landscape. The cost drivers and determinants model that has been provided to Ofqual allows for change to be incorporated as the system evolves in the future.

Other areas for consideration

Building on our research we have identified some other areas for consideration that raise interesting questions for the qualifications system at a high level. We should stress that it has not been a core part of our work to give attention to these, and that many of them are not within the remit of a regulator to address. However, we believe it is important to set them out. They fall into four areas:

- System driven

- Policy driven

- Market driven

- Organisational driven.

We have detailed these questions below.

System driven costs

- Exchange of information in the system - could more be done on the Government's principle of 'collect once, use many times, used by all' in order to reduce identified high cost areas as well as improve communication, clarify purpose, and better inform qualification needs and demand?

- Layers of decision makers and agencies – could more be done to reduce cost by streamlining and clarifying roles and processes in the system? Are the costs of divergence between England, Wales and Northern Ireland properly understood and managed?

- Regulation –is there duplication of effort and consultation costs relating to regulation and approval costs in the system? Specifically, is there significant duplication for awarding organisations who are subject to more than one regulator (for example regulated organisations in the construction or food industries) and can this be addressed?

Policy driven costs

- Change – is analysis undertaken of the likely cost (both financial and non-financial) of change before changes are introduced, for example at policy development stage (e.g. through Impact Assessments)? Is there sufficient consideration of these costs against the benefits, as well as discussion about how to minimise them?

Market driven costs

- Transparency - in a market place where the purchaser is not often the benefactor can there be greater transparency relating to cost benefit information to inform decision making?

- Fees - can information be provided to show how awarding organisations' fees reflect the services provided to assist in decision making processes in the market place by the centres?

Organisation driven costs

- Efficiencies – is there scope for efficiencies through better sharing of services, and through internal improvements? For example, some centres' internal decision making processes may be leading to higher costs related to qualification fees than necessary. An example is late entries– can externally benchmarked management information about the costs incurred relating to qualifications assist centres to save costs internally? Can focussed stakeholder collaboration help reach consensus on how the volume of late entries can be reduced?[1]

Next steps for the high level mapping phase

We have provided below our recommendations for the next phases of the high level mapping:

1 Against the cost drivers and determinants in the high level mapping model identify what up to date monetary and non monetary information is readily available and what would need primary research

2 Taking into consideration the magnitude of the current cost or expenditure and the potential for efficiencies collect and/or assimilate cost information relating to the drivers and determinants

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[1] The area of late entries itself is multifaceted, it is important to note that in the future the general qualifications system may be moving towards accommodating 'Test When Ready' assessment, when the concept of a late entry might not be applicable.

Conclusion

The high level mapping exercise has produced maps of key functions and flows in the system, and a comprehensive set of drivers and determinants relating to organisations as well as to key functions. It has identified those areas which stakeholders viewed as 'heat spots', and those issues which stakeholders believe merit further investigation. This report will therefore provide a strong base from which Ofqual, DCELLS and CCEA can embark on further work.

Section One – Background

This study has been commissioned by Ofqual in collaboration with the Council for the Curriculum Examinations and Assessment (CCEA) in Northern Ireland and the Welsh Assembly Government's Department for Children, Education, Lifelong Learning and Skills (DCELLS). The remit of this work is to undertake a high level mapping of the regulated qualifications system in England, Wales and Northern Ireland.

PricewaterhouseCoopers LLP (PwC) was commissioned to conduct this independent study. This final report sets out our findings according to the remit of our engagement letter with Ofqual (part of the Qualifications and Curriculum Authority (QCA)), dated 20th October 2008. A draft final report was shared with the Steering Group for this review, as well as with all those who provided evidence to it, and we have taken account of the comments we received. We are grateful for this help.

In this section of the report we provide further information about the remit and context of this study. We also include an explanation of the methodology we used to reach our findings.

In the subsequent sections of the report we provide an account of the high level mapping, our findings in relation to the cost drivers and determinants identified in the system and our recommendations for the next steps of a study of the qualifications system.

Study context

In this first part of the high level mapping study we have identified all the organisations that participate in the regulated qualifications system and the factors that determine and drive costs for each of those organisations. This has been done from both a supply-side and demand-side perspective.

From this information we have then been able to construct "maps" of the qualifications system that show where costs in the system are generated. This mapping work will provide a foundation for more focused and detailed economic studies of specific parts of the system in the later phase of the efficiency study work.

The purpose of the mapping is to look across the whole regulated qualifications system to identify what is driving costs on both the demand and supply sides.

Terms of reference

The terms of reference for this study were:

To develop a regulated qualifications systems map

To identify and map all organisations contributing to the demand side and supply side of the system, to include DCSF, DIUS, the relevant government departments and agencies in Wales and Northern Ireland, the qualifications regulators, LSC, sector skills councils, awarding bodies and centres.

The mapping should show clearly the influences exerted by each organisation on the system and the direction of those influences.

To identify the 'as is' determinants, drivers and sources of funds and constraints on expenditure

on the demand side

To provide:

- An analysis of the determinants of expenditure on qualifications by centres, including trends over 5-10 years

- Identification of the main drivers of expenditure by centres and their relative importance

- The sources of funds and constraints on expenditure.

To identify the 'as is' determinants and drivers of cost on the supply side

To provide:

- An analysis of the determinants of supply costs, including trends over 5-10 years

- Identification of the main drivers of supply costs and their relative importance.

To provide a modified version of the 'as is' mapping to incorporate major changes to the regulated qualifications system coming on stream over the next five years

These changes will include inter alia, the introduction of the Qualifications and Credit Framework, the new Diploma qualification and the recognition of employers as awarding organisations. The modified version of the mapping will show the influences exerted by organisations and the direction of those influences resulting from the changes to the system.

Table 1 below details the scope of the study.

Table 1 - Scope of the study

In Scope
- All organisations that have a role in the regulated qualifications system in England, Wales and Northern Ireland.
- All regulated qualifications in England, Wales and Northern Ireland that appear on the National Database of Accredited Qualifications.
- The final deliverable should enable monetary values to be attached to the cost drivers at some point in the future.
- Identification of high level cost and expenditure determinants (process level 1, e.g. administration, assessment)

Out of scope
- Actual monetary values attached to cost drivers
- Direct consultation with learners, employers and other end users such as universities
- Higher education qualifications.
- Financial modelling
- Identification of detailed processes throughout the system

Methodology

Our work was carried out from October 2008 to December 2008. Our methodology allowed for key stakeholder consultation, but it is important to note that this is a high level mapping exercise and therefore our findings are not based on any kind of statistically significant sample or extrapolation.

Main methodological steps

The main steps in our work were to:

- develop mapping data collection tools

- identify through desk-based research the organisations operating in the system and group these into types wherever possible

- identify through desk-based research the different functions in the qualifications delivery chain (for example assessment and award or design of qualifications)

- identify through desk-based research all regulated qualification types and group these qualifications

- identify through desk-based research the drivers and determinants of cost and expenditure and the different activities that relate to different types of qualifications

- populate a set of maps using the desk-based information to illustrate inter-organisational relationships amongst stakeholders in the qualifications system

- consult with a range of stakeholders within the system to validate and supplement all of our findings through interviews, meetings and an awarding organisations workshop - an example interview guide is included in Appendix A

- amend our findings to reflect comments received after further circulation of our findings

- develop final report and appendices.

Comments on methodology

The study has been informed by consultation and within this consultation a number of issues have been raised about the methodology and high level mapping exercise. Where possible we have addressed areas of concern throughout our work. It is important to note the following:

- A number of stakeholders would have wished that a larger and more representative sample of centres and awarding organisations had been included in this first phase of work. We consider that the number of consultees involved has enabled us to identify at a high level the main drivers and determinants within the system, whilst minimising burden. However, we do consider that in subsequent phases of work it would be useful and appropriate to operate at a more granular level and include an increased sample of organisations in order to provide robust information on costs

- This report provides a wealth of data to inform an improved understanding of the interfaces, pressures and costs associated with the regulated qualifications system. However, the maps should be viewed as being developed at a point in time. The maps will require periodic updating so that as changes occur in the system the maps can be changed and the relationship lines added and assessed. As a tool the maps will help those in the system to understand where for example, potential changes would add to, alter, or reduce burdens. A mapping exercise of this sort is designed to be dynamic and can be used over a period of time

- The maps are fit for purpose and every possible attempt has been made to make the mapping outcomes as accurate as they can be. However, we recognise that further details can be added as the maps are updated

- As a consequence of the complexity of the regulated qualifications system there are some differences of opinion in how to group together organisations and types of qualifications. We have used categories based on our desk research, consultations and our own analysis. In providing a model to Ofqual that contains the cost drivers and determinants in excel form it will be possible to do analysis by, for example, function, in the next phases of work.

Categorising, mapping and presenting the qualifications in the system in an illustrated form enables further discussions and understanding of the system to take place. However, it does not enable every individual aspect to be captured or every organisation's sometimes unique circumstances to be included. Where these have been identified they have been noted in commentary alongside the maps.

The complexity of the regulated system could deter any mapping study from moving forward, as reaching full consensus from every interested party on the presentation and content of all aspects is almost certainly impossible. However, we are confident that our methodology and findings have delivered maps which are fit for purpose and which can lead to an improved understanding between stakeholders of the costs that they drive within the system, and the determinants of those costs.

Section Two – Understanding the Regulated Qualifications System

This section introduces the regulated qualifications system in England, Wales and Northern Ireland. It defines the regulated qualification system. It goes on to describe the stakeholders associated with these qualifications and provides an analysis of the influences exerted by both the demand and supply side of the system including the direction of those influences.

Defining the regulated qualifications offered in the system

The regulated qualifications system is a very complex system that consists of a large number of stakeholders. To build a picture of the regulated qualifications system a complete list of current qualification types were collected from the National Database of Accredited Qualifications[2] and compared with the list of qualification types on Section 96 and Section 97 of the Learning and Skills Act 2000. These qualifications are listed on Table 2.

A list of these qualification types along with their purpose, the learners they are targeted at and the level of the qualification can be found in Appendix B. For the purposes of this study the regulated qualifications system consists of the stakeholders, resources and processes that result in the qualification types identified in the table below.

Table 2: Regulated qualification types

Qualification
ACETS: Awards & Certificates in Education Training & Skills
AEA: Advanced Extension Award
BS: Basic Skills
BTEC: Business Technology Education Council
DIP – Diploma
EL - Entry Level
Essential Skills
ESOL - English for Speakers of Other Languages
FS - Functional Skills
FSMQ - Free Standing Mathematics Qualification
GCE - GCE A Level
GCE AS - GCE AS Level
GCSE: General Certificate of Secondary Education

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[2] As with any classification system, we are aware that this one has its limits – for example, some similar qualifications can appear under different categories within it. However, we do not believe this materially impacts on our report, as our analysis by qualification type is limited to specific examples of highly contrasting qualifications.

Qualification
GOML: Graded Objectives in Modern Language
HL: Higher Level
KS: Key Skills
NVQ: National Vocational Qualification
OG: Other General qualification
OQ: Occupational Qualification
PL: Principal Learning
PROJ: Project
QCF: QCF qualification
VRQ: Vocationally Related Qualification
WBQ: Welsh Baccalaureate Qualification

It was not a straightforward exercise to collate Appendix B to bring together and understand the purpose or intended purpose of all qualification types. It required researching the information from various sources including direct.gov and the QCA website, and such public information was limited and presented in a non-standardised manner.

Stakeholders within the qualifications system and their roles

We identified a list of stakeholders who operate within the regulated qualifications system through desk based research and in dialogue with the Efficiency Study Steering Group. This list was further expanded through consultation with nominated stakeholders. These stakeholders are grouped by types as described in the next section. It is helpful to group stakeholders together to inform dialogue and an understanding of the system, rather than try to understand the system individual organisation by individual organisation. However, this uncovers complexities in understanding the qualifications system for the following reasons:

- There are often overlapping roles on both the demand and supply sides for the same entities or organisation types in the system, making the supply/ demand distinction a difficult one, although it is a useful way to understand the system as a whole

- There are a large, and currently growing, number of recognised awarding organisations offering qualifications in the system. These awarding organisations vary considerably in size, mission, legal status, offering and funding

- There are a large number of centres who deliver qualifications to learners. Whilst these centres can be grouped into categories such as general further education colleges, schools or training providers the labels can hide significant complexities. Centres in the same category can diverge, for example, in the number or range of qualifications delivered

- Single organisations and different organisations within one category can have quite different roles within the qualifications system

- There are different organisations and processes in place in the three different countries within the system which are detailed within the system mapping and commentary.

The qualifications system therefore consists of many stakeholders that span different functions. However, the map flows in this section provide an overview of the interactions between the key stakeholders within England, Wales and Northern Ireland using the following stakeholder groups

- **End Users:** End users on the demand side of the qualification system are considered to be the individuals and organisations that will ultimately benefit from the outputs of the qualifications system. These include 14 to 19 learners and their parents; adult learners; employers and higher education institutions. Most often the end user is not the purchaser of qualifications although they are often the beneficiary

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- **Centres:** The main function of centres in the regulated qualifications system is the delivery of qualifications. There are various centre types and these can be classified using various dimensions that may have an impact on the flows within the system. These dimensions can include:

  - Size: centres are recognised in size by the number of students they carry. Also a centre may have branches in many regions

  - Constitution: centres that offer the same qualifications can vary in their legal structure - they could for example be limited companies or charities

  - Qualification types /specialism: some centres are specialised in delivering vocational qualifications, others general qualifications whilst others may be more sector specific offering qualifications for example in technical and art subjects. Some deliver a combination of these

  - Extent of outsourcing: some centres outsource some of the modules/credits to other centres rather than offer a complete range in-house

  - Learner types: some centres are designed to suit certain learner types and this could vary in terms of age, gender, faith and special needs

  - Geographical: the geographical location of centres may also have an impact on the way in which they can deliver the qualifications. Some delivery could be in-house, work-based, online or a combination of these

  - Institutional type: including college, school, independent, comprehensive, grammar, general further education, private training provider, public and academy.

The sources of funding vary for centres based on any of the combination of factors above and so for the purposes of this study centres have been grouped into schools (for example grammar, comprehensive), colleges (for example 6th form, further education), private learning providers and employer training centres. For the purposes of this study:

- Private learning providers are taken to mean institutions that exist to provide vocational training for post 16 learners.

- Employer training centres refers to any regulated qualification related training that takes place in the work place for the employees of that organisation.

Centres are often the purchasers of the qualifications and so are on the demand side of the qualifications system.

- **Awarding organisations:** The main functions of an awarding organisation are to develop, assess and award qualifications. According to the Federation of Awarding Bodies (FAB), the sector is notable for its diversity. Like centres there are also multiple awarding organisation types that can be classified using various dimensions. These dimensions may have an impact on their flows and so include:

  - Size: awarding organisations are recognised in size by the number of certifications they produce

  - Constitution: awarding organisations have various legal structures that include private limited companies, companies limited by guarantee, others have royal charters and some are charities

  - Specialism and Sector Skills Council (SSC) engagement: some awarding organisations are specialists either in terms of sector(s) or on particular skills set(s). This means that the extent of SSC engagement with awarding organisations will vary and indeed some of the organisations may not have any SSC engagement. This is because some of these organisations are specialised in cross-sector qualification types for example: marketing, sales, leadership and asset management. In such a case they are more likely to have interactions with professional bodies, sector regulators or Standard Setting Bodies (SSBs)

  - Modes of assessment: various modes of assessment are utilised by awarding organisations. This has an impact on the way organisations will operate in terms of working with examiners or

assessors or external verifiers or all of the above

– Extent of outsourcing: some awarding organisations do not have all required expertise in-house and so subcontract some of their functions whilst others may subcontract because they want to focus on their expertise. The extent of the subcontracting of functions amongst awarding organisations varies and as such will have an impact on how they operate

– Brands: there are also variations amongst the awarding organisations on the number of brands they carry. Some carry single brands whilst others carry multiple brands.

As a result of the multiple dimensions described, the degree of reliance on private fees, employer fees, and public funding may vary from structure to structure, subject to subject and sector to sector for awarding organisations.

Awarding organisations are traditionally viewed as being on the supply side of the qualifications system. It is important to note that some entities may have more than one role, for example, employers who could, particularly in the future, be both awarding organisations and end users. For the purposes of mapping we have separated out roles rather than try to map all eventualities for individual entities.

While awarding organisations are suppliers to the market place for qualifications it is important to keep in mind the inter-relationship between demand and supply and therefore consideration should be given to how awarding organisations can alter demand through supply. For example, an awarding organisation may, in collaboration with those on the demand side such as employers, identify latent demand and supply to meet this demand, thus creating actual demand or they may displace demand for one qualification with another qualification type, in both instances altering demand in the market place.

- **Advisory bodies and committees:** This stakeholder group includes advisory bodies, committees and programmes such as the Joint Advisory Committee for Qualifications Approval (JACQA) and the Vocational Qualifications Reform Programme (VQRP). Some of these may be temporary, independent or fall under an existing organisation as Managing Information Across Partners (MIAP) currently does with the Learning Skills Council (LSC)

- **Regulators, associated bodies and non-departmental public bodies**: are organisations whose roles may span functions such as standards monitoring, funding allocation and other remits they may have been set by Government. Key stakeholders within this group are:

  – The Office of the Qualifications and Examinations Regulator (Ofqual): Ofqual is the new regulator of qualifications, exams and tests in England. Their role in the system is to ensure that children, young people and adult learners get the results their work deserves, that standards are maintained and the qualifications learners receive count now and in the future.

  – Qualifications Curriculum Authority (QCA): The original role of the QCA in the qualifications system included developing criteria for qualifications as well as accrediting those qualifications which met them. In its new form as the QCDA, it will deliver the Government's programmes for the management and reform of qualifications, curriculum and assessment. Within this, it will no longer accredit qualifications – that role passes to OFQUAL – but it will still develop criteria for use by Ofqual in accreditation

  – Learning and Skills Council (LSC): The role of the LSC in the qualifications system is to fund provision in line with agreed targets and priorities as set out in the Statement of Priorities

  – Council for the Curriculum, Examinations and Assessment (CCEA): CCEA is a non-departmental public body that advises on what should be taught in schools and colleges in Northern Ireland. Their role in the qualifications system involves monitoring the standards and quality of qualifications offered by awarding organisations in Northern Ireland. They also have an awarding arm.

- Department for Children, Education, Lifelong Learning and Skills (DCELLS): DCELLS is a Department of the Welsh Assembly Government and has the role in Wales of a policy maker, funder, regulator and accreditor in the regulated qualifications system.

- **Sector Skills Councils (SSCs)**: SSCs have been set up on a sector by sector basis to capture and support the skills needs of employers. Their role in the qualification system involves representing the voice of their sectors as well as approving qualifications relevant to their sectors. This will entail the development of National Occupational Standards on which many qualifications will be based.

- **Policy Makers:** this term refers to those government organisations and departments where preparatory work is undertaken to understand a particular situation or a set of circumstances related to the qualifications system and policy or policy-related decisions are made as a result. This will typically include:

  - the generation of ideas that could form the basis for future policies

  - the development of new ideas into workable policy, for example through the preparation of policy submissions and development of consultation documents

  - the taking of legislation (if necessary) through Parliament and the establishment of delivery mechanisms

  - the monitoring of policy implementation with adjustments made as and when they come to be necessary

  - the assessment of success or otherwise of policy initiatives along with lessons learned

  - the explanation of policy (in speeches, publicity materials) and its defence (in PQ responses and Ministerial letters).

The list above is not exclusive, and policy makers can sometimes also become involved in other activities such as aspects of delivery. The policy makers in the qualifications system consist of a number of departments, with greater or lesser direct impact on the qualifications system. Those whose roles are directly linked to the qualifications system, make and directly fund educational policies are The Department for Children, Schools and Families (DCSF), The Department for Innovation, Universities and Skills (DIUS), Department for Children, Education, Lifelong Learning and Skills in Wales (DCELLS), The Department for Employment and Learning (DELNI) and The Department of Education (DENI).

Examples of other policy makers who have a more indirect impact are The Department for Business, Enterprise and Regulatory Reform (BERR), and The Department for Work and Pensions (DWP).

Policy makers can be viewed as demand side within the qualifications system because their policies can create demands for qualifications to meet policy requirements. The Departments can also be viewed as end users themselves as public sector employers. The Departments whose roles are directly linked to the qualifications system can also be considered as the ultimate purchasers within the publically funded regulated qualifications system.

- **Representative organisations:** these represent the interests of a group of people or organisations with the aim of becoming a voice for the group and they include unions and professional bodies. The representative bodies have been split by supply side (for example the Joint Council for Qualifications (JCQ) and Federation of Awarding Bodies (FAB)) and demand side (for example, the Association of School and College Leaders (ASCL), Association of Learning Providers (ALP) and the National Institute of Adult Continuing Education (NIACE)). There are a large number of such bodies some of which have not been captured or included in the scope of this study as they will be affected indirectly by the qualifications system

- **Information, advice and guidance:** these types of organisations exist to primarily provide objective advice to learners. Connexions is an example of one of these

- **Outsourced providers:** these are organisations that supply other key resources to the qualifications system such as logistics, printing services and information technology provision

Qualification system mapping for England, Wales and Northern Ireland

This section provides an overview of the qualifications system through a series of flow maps. The first set of maps show the primary areas of influence and direction of influences as well as primary funding flows. The maps are split geographically for England (Figure 1-3), Wales (Figure 4) and Northern Ireland (Figure 5). These maps describe the roles of key stakeholders in the qualifications system and the overall flows for each part of the system. The second set of maps (Figure 6-12) relates to the inter-organisational relationships between all the stakeholders for the qualifications system and represents the whole of England, Wales and Northern Ireland.

Combining these diagrams with the cost determinants and drivers and proposition flows will help assess where benefits can be realised for efficiencies and the implications of changes to the system going forward.

Primary influence and funding flow maps (Figure 1-5)

These maps depict the primary influence and funding flows within the system and between the stakeholders. The blue lines show the main funding flows in the system and the black lines show the primary flows of influence between stakeholders and within the system.

Figures 1, 2 and 3 are illustrations of the qualifications chain for England.

Vocational qualifications in England (Figure 1)

Even at the most simplified level for vocational qualifications it can be seen that there is a high number of stakeholders and the process for the development of qualifications is more complex, in particular with the influence of employers, SSCs, SSBs and Industry Training Boards in the development of the qualification. These additional influences add complexity to the system.

The influence of employers is particularly important in relation to vocational qualifications as they are end users of the people who gain skills through the qualification, they can be funders and enrol their employees onto a qualification and they can become awarding organisations in their own right. Employer's views are sometimes given directly to awarding organisations, and sometimes to their relevant sector skills council, who will use this market intelligence to identify qualifications or skills requirements. We explain more about this influence in the system below.

The interactions that exist for vocational qualifications will in part be dependent on the existence and quality of relevant Sector Skills Councils (SSCs) or Standard Setting Bodies (SSBs). The need to develop vocational qualifications is usually part of a wider agenda that promotes qualifications to post 16 and adult learners and these are governed by the need to fulfil a skills gap within a sector or sectors.

SSBs were devolved from QCA to bring decision making closer to employers and end user needs. The introduction of SSCs has meant that existing SSBs now tend to represent qualification types that have no SSC and span across multiple sectors such as sales, marketing, leadership and asset management. Whilst SSCs are funded, supported and approve qualifications on a sector basis, SSBs do not have the same status. It cannot be assumed that qualification development within one type of qualification will be the same for different subject areas.

The LSC provides funding at national and regional levels, and it was apparent from our consultations that some stakeholders were of the view that there are "postcode lotteries" where funding may not be equally spread across regional areas within England. This was particularly highlighted as an issue in relation to understanding the funding mechanisms and transparency for eligibility for funding in relation to the delivery of vocational qualifications. It was considered by some consultees that the Qualifications and Credit Framework (QCF), when fully implemented, would reduce the importance of this as an issue; although this view was contested by at least one consultee.

General qualifications in England (Figure 2)

At the most simplified level for general qualifications the DCSF sets the policy remit for general qualifications, the QCA (QCDA) develops and consults on the policy development areas and Ofqual consults and also recognises the awarding organisations that can deliver general qualifications. Centres provide the learning and teaching and then register their candidates with the awarding organisations for assessment and the awarding organisations then assess and award the candidates against the qualification content that the awarding organisation has developed and they then award the qualification that the candidate deserves.

It is evident from Figures 1 and 2 that comparably the general qualifications sector is more linear. This is primarily due to the fact that historically general qualifications were designed to be uniformly delivered.

Primary influences and funding flows for the regulated qualifications system in England (Figure 3)

We have brought together the general and vocational qualification primary influences and funding into one diagram in Figure 3. This helps to show that there are many organisations in the system who are involved across both qualification types, although the role that they perform and the level of influence they exert can differ.

The primary funding route for qualifications within the regulated system commences with the government departments of DCSF and DIUS. Funding flows from the DCSF and DIUS to the LSC and the Local Authorities and this funding is then transferred to the learning providers who pay awarding organisations fees for their qualifications. The awarding organisations have a number of payments that they need to make to outsource providers as well as in house in order to deliver this service.

The English qualifications system has primarily two policy makers, DIUS and DCSF. DIUS is primarily responsible for vocational qualifications such as Apprenticeships and National Vocational Qualifications (NVQs). DCSF concentrates on qualifications related to 14-19 year olds and is responsible for general qualifications such as A Levels and GCSEs as well as vocational qualifications such as 14-19 Diplomas and Functional Skills within that age range.

Both Departments work closely together and there is cross funding for policy initiatives. From our consultations with centres it would seem that there is a lack of clarity about the roles of the two Departments and some consultees said that they found it difficult to clearly differentiate between them, and that they did not always know where to go to find relevant information or who was responsible for certain qualifications. Centres seem instead to be heavily reliant on awarding organisations for relevant information.

Figure 1: Primary influences and funding flows for the vocational qualifications system in England
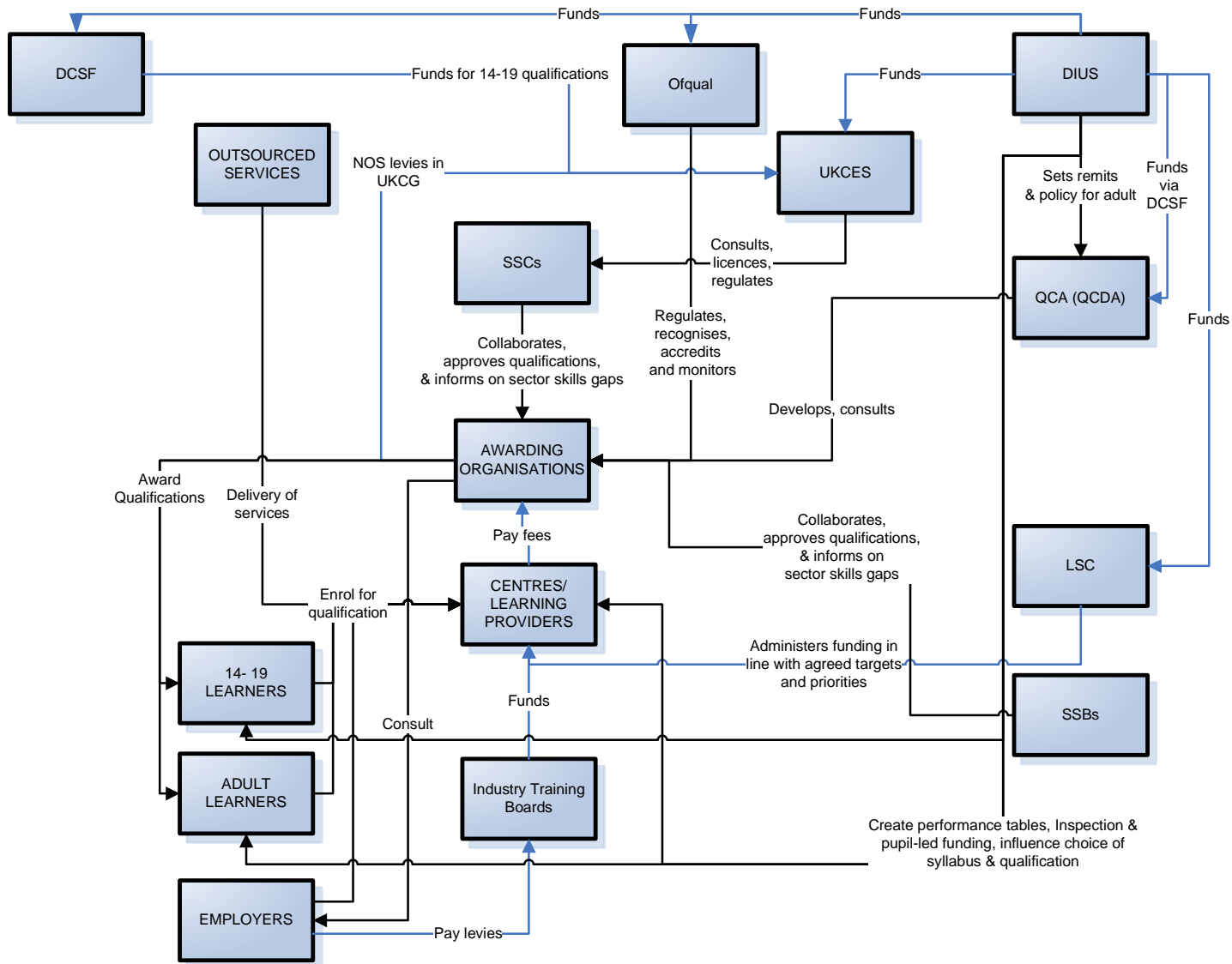
Figure 2: Primary influences and funding flows for the general qualifications system in England

Figure 2: Primary influences and funding flows for the general qualifications system in England

DCSF — funds → Ofqual

DCSF — Sets remits & policy for 14-19 → QCA (QCDA)

DCSF — funds → QCA (QCDA)

DCSF — funds → LOCAL AUTHORITIES

DCSF — funds → LSC

Ofqual — Payments → OUTSOURCED SERVICES

Ofqual — Regulates, recognises, accredits & monitors → AWARDING ORGANISATIONS

QCA (QCDA) — Develop, Consults → AWARDING ORGANISATIONS

LOCAL AUTHORITIES — funds → CENTRES/ LEARNING PROVIDERS

CENTRES/ LEARNING PROVIDERS — Register students → AWARDING ORGANISATIONS

CENTRES/ LEARNING PROVIDERS — Pay fees → AWARDING ORGANISATIONS

OUTSOURCED SERVICES — Delivery of services → CENTRES/ LEARNING PROVIDERS

OUTSOURCED SERVICES — Award qualification → 14-19 LEARNERS

14-19 LEARNERS — Enrol for qualification → CENTRES/ LEARNING PROVIDERS

Create performance tables, Inspection & pupil-led funding, influence choice of syllabus & qualification → 14-19 LEARNERS
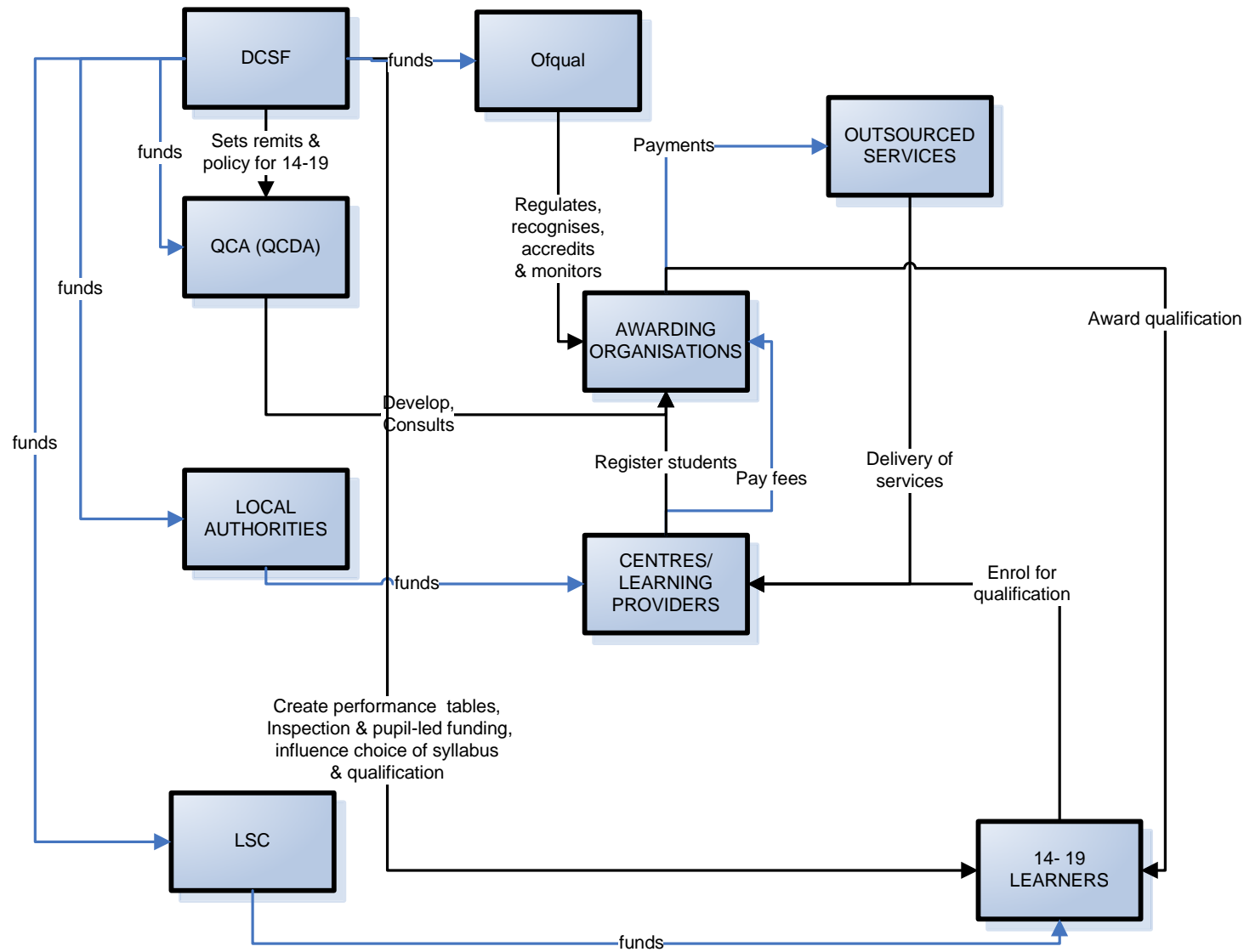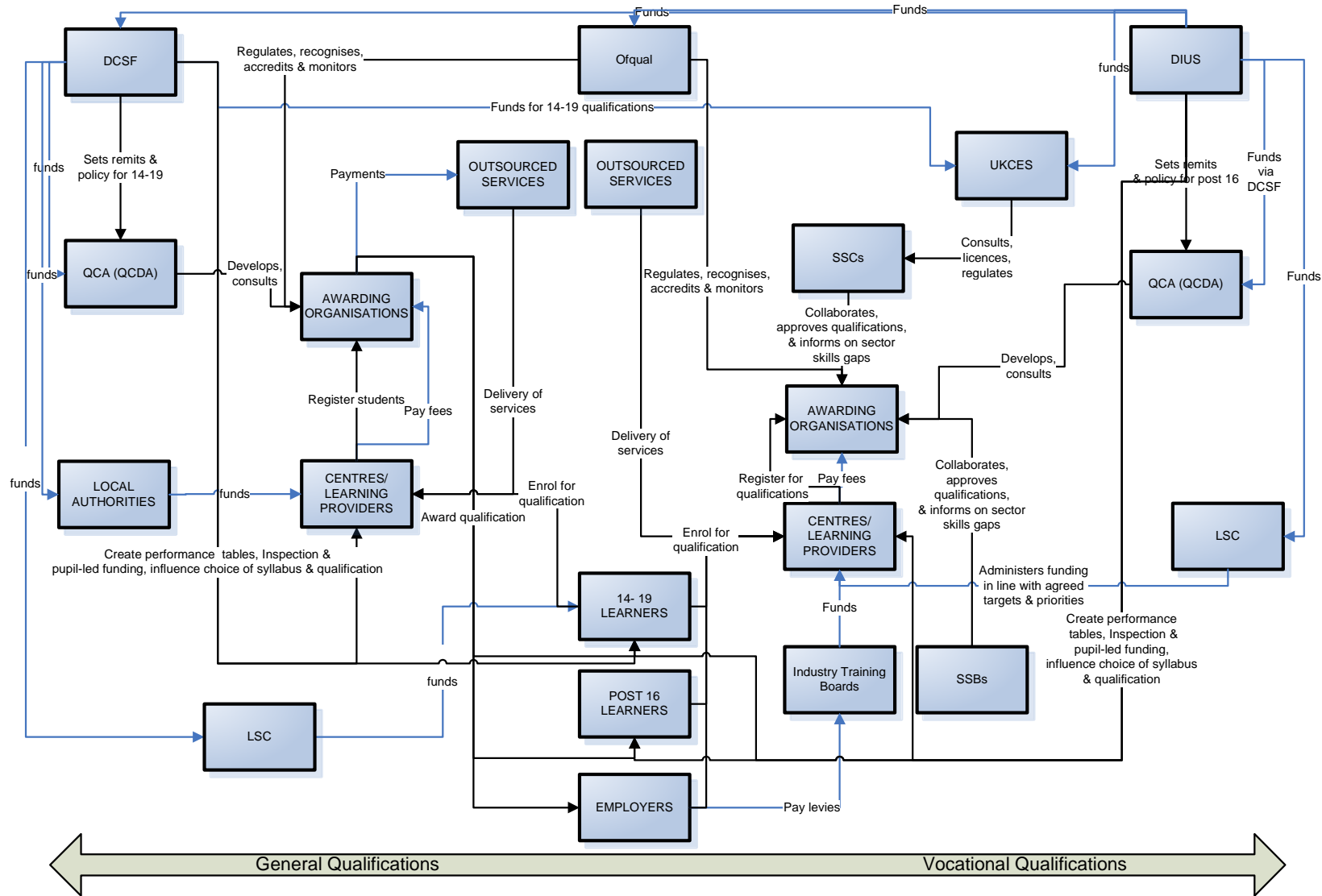
LSC — funds → 14-19 LEARNERS

Figure 3: Primary influences and funding flows for the regulated qualifications system in England

Primary influences and funding flows in Wales (Figure 4)

The system in Wales, shown in Figure 4, is simpler than that of England in that DCELLS is a part of the devolved Welsh Assembly Government (WAG) - which has multiple functions of policy maker, funder and regulator. We have not therefore needed to separate out the maps into general and vocational qualifications in the same way as for England for ease of reference.

Figure 4 shows that as in England, funding for qualifications delivered in schools is routed through Local Authorities; however, funding for qualifications in colleges and private training providers is routed directly from WAG.

The Wales Employment and Skills Board, which is funded by WAG, has been set up to:

- strengthen the employer voice on skills in Wales

- give expert advice to Welsh Ministers

- help Wales to develop a high-skills economy with opportunities for everyone.

This is another influencing body that needs to be taken into account when understanding the roles of organisations within Wales. As in England, there is added complexity due to the high number of additional stakeholders involved in influencing the vocational qualification sector.

Primary influences and funding flows in Northern Ireland (Figure 5)

Northern Ireland, like England, also has two education departments DENI and DELNI that are respectively responsible for general and vocational training. DELNI, like DIUS, has responsibility for post 19 learning.

One major difference between Northern Ireland and the systems in operation in Wales and England is that CCEA is both the regulator[3] and an awarding organisation.

In this section we have shown that geographical variations exist between England, Northern Ireland and Wales. Northern Ireland and Wales appear to have more linear flows and they will typically deal with fewer awarding organisations. Within England some of the organisations such as the LSC also have regional offices and as such funding flows may vary between regions and funding allocation may be dependent on regional needs.

The linearity of general qualifications as compared to vocational qualifications hints that efforts related to process design efficiency improvements should be focused initially on vocational qualification processes.

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[3] At the time of our research, Ofqual was responsible for the regulation of National Vocational Qualifications (NVQs) in Northern Ireland; and subject to legislative proposals it will become responsible for all vocational qualifications in Northern Ireland.

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Figure 4: Primary influences and funding flows for the regulated qualifications system in Wales
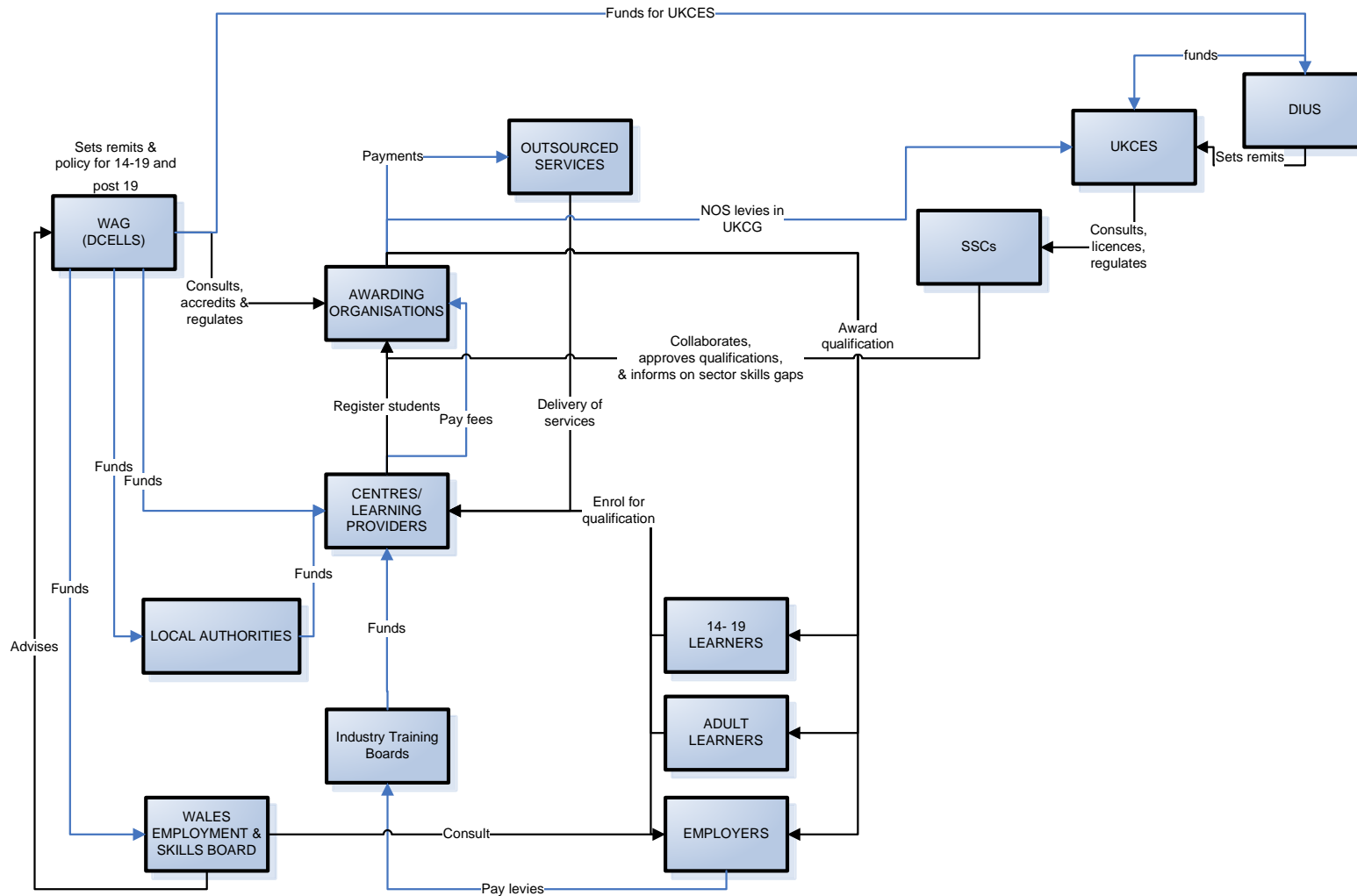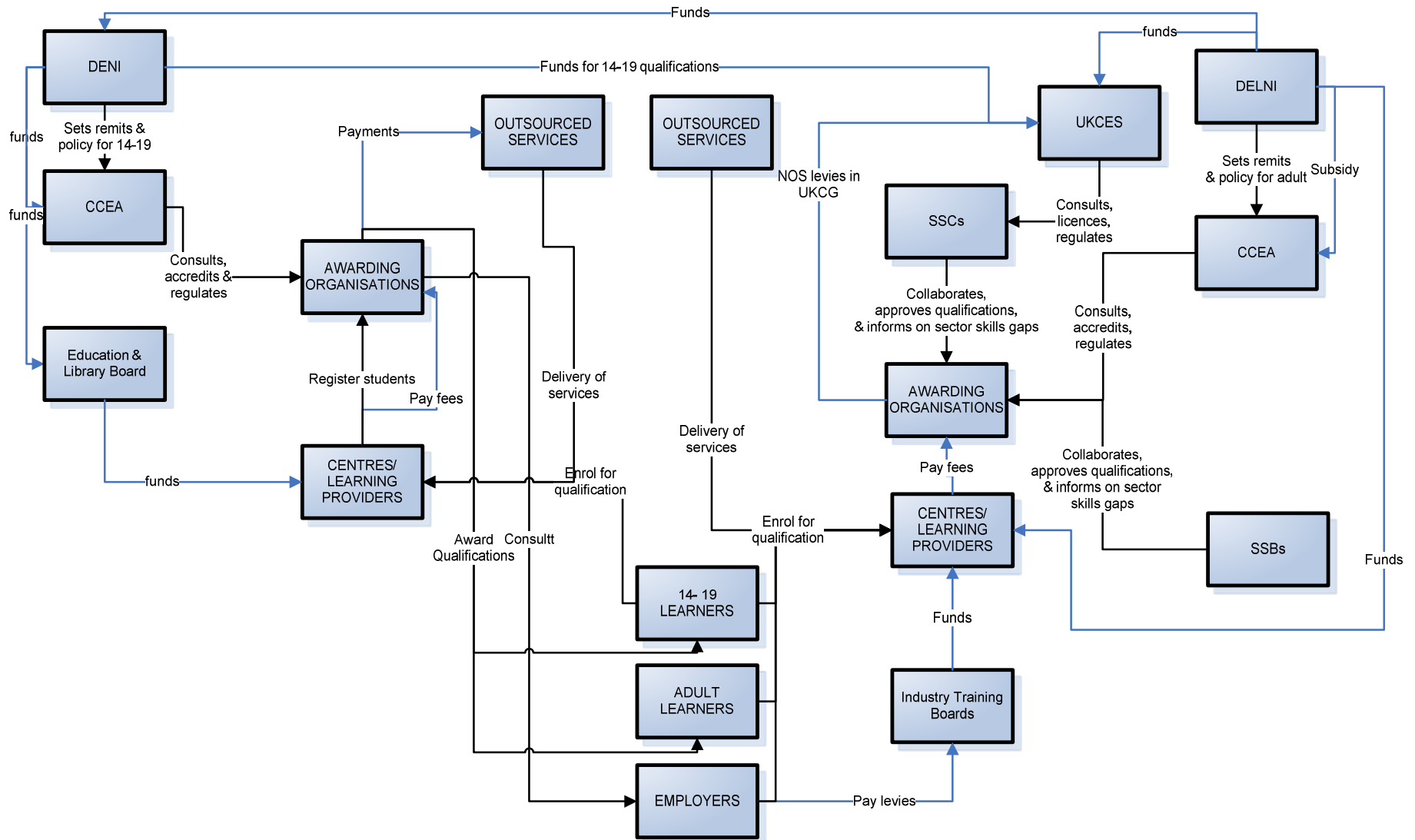
Figure 5: Primary influences and funding flows for the regulated qualifications system in Northern Ireland

Stakeholder maps with information flows, funding flows and material flows for the qualifications system of England, Wales and Northern Ireland

The next set of diagrams depicts all of the stakeholders involved in the qualifications system and the many flows between them. A stakeholder glossary is included in Appendix C.

Reading the maps

The learner is the focus of the qualifications system. Achieving learner outcomes is the main purpose of the qualifications system and the split of the Department for Education and Skills in England into DCSF and DIUS was intended to deliver better outcomes for learners with different needs. The maps therefore show the end user at the top of the maps.

As highlighted earlier in the section, there are distinct differences between awarding organisations within the UK. These differences add various complexities to the qualifications system and as such the maps would be extremely complicated if all factors unique to different awarding organisations were included in this study. However there are generic features shared by the different awarding organisation types and it is this that has been primarily captured by the flows. Based on our research findings it is appropriate to differentiate awarding organisations by the systems relating to the qualifications that they award in order to identify issues and efficiencies. An awarding organisation which offers both general and vocational qualifications will be party to both systems.

We have generated a split between general and vocational qualifications as this was found to work and to give better meaning to the maps as it directly relates to the target learner types. However, the distinctions are not always clear as an organisation, a learner or an individual may be represented in both.

The complexity of the qualification system is reflected in the areas of interactions in the system relating to information, funding and material flows.

The thick lines on the stakeholder maps indicate where there are large volumes or strategically significant flows between stakeholders as identified by our consultees. The lines represent areas where high levels of activities take place and resources are used and these are further explored in the next and main section on drivers and determinants.

We have colour coded the boxes to show which countries each relates to.

For consistency, stakeholders are shown on each of the information, funding and material flow maps, even where they do not have an involvement in a particular flow.

Altogether the maps provide a starting point to understand the flows within the system and where influences are exerted. However to better understand the underlying mechanisms and activities within each stakeholder that exerts these influences the reader will then need to drill down a level to look at the drivers and determinants detailed in the next section of this report.

Information flows (Figures 6-8)

Information flows look at the information interactions between stakeholders in the system. Areas in which consultees have informed us that there is heavy traffic of information flows have been depicted through the use of a thickened line. Information includes consultations, performance tables, telephone conversations, letter writing, data transfer and all other forms of communication about the system.

Figure 6 – Information flows for the whole system

End users

Centres and Learning providers

Information, Advice and Guidance

Representative bodies: Demand Side

Regulators, agencies and non-departmental public bodies

Policy makers

Advisory bodies and committees

Representative bodies: Supply Side

Awarding organisations
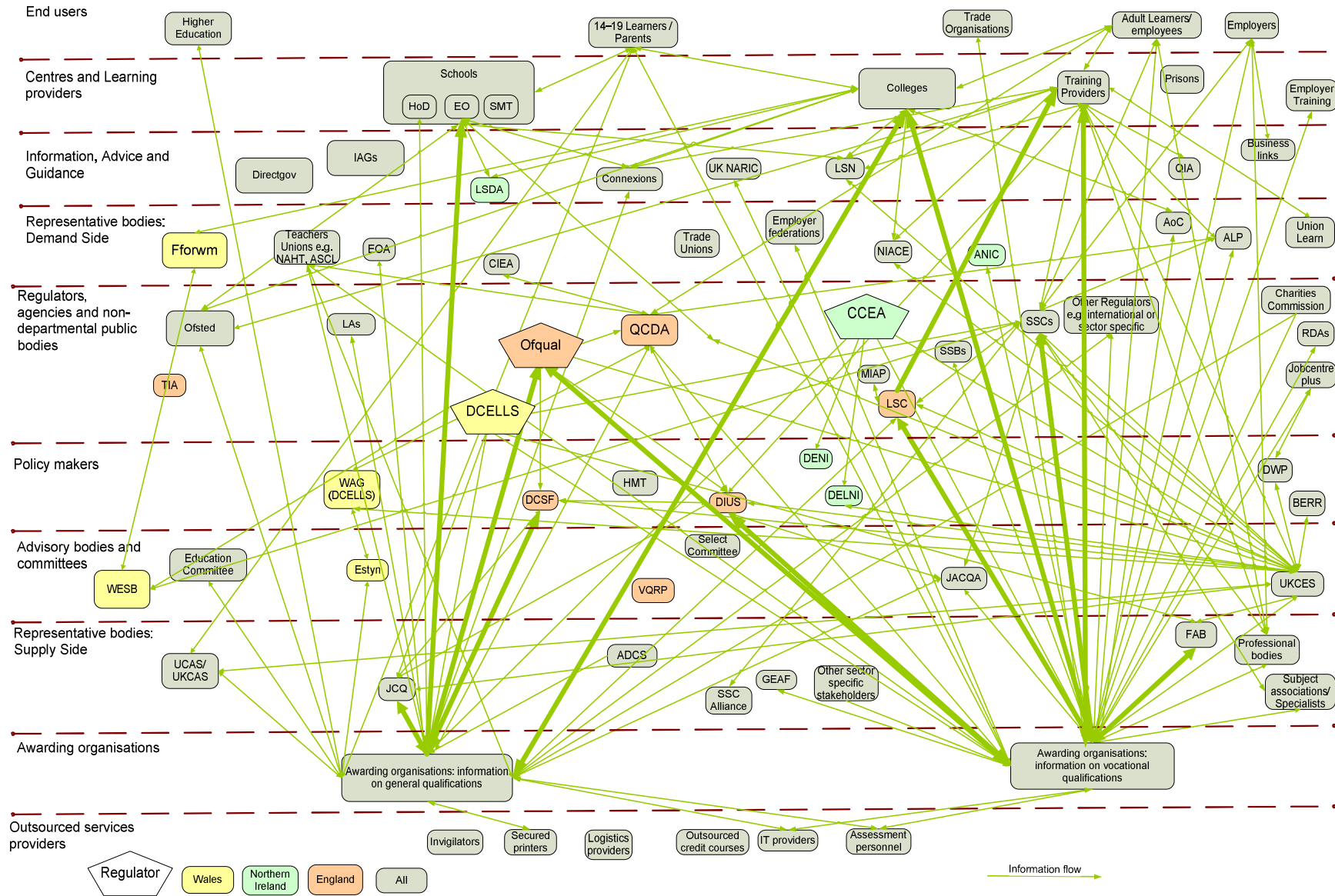
Outsourced services providers

Figure 6 shows the extent of information exchange that happens between stakeholders in the qualifications system. Whilst there are specific reasons for information exchange many of these lines depict consultation, lobbying, and repeated communication of the same message to difference audiences.

The creation of Figure 6 has highlighted a possible misalignment between policy intent where learner outcome is primary and the current system where many players are pressured by various factors outside of the learner outcome.

The findings here reflect a complexity in the system that has been caused by multiple layers and a high number of organisations. These may be adding to the number of flows in the system, which might be reduced through clarity of roles for each of the stakeholders.

A high level of resource also seems to be spent on development related activities between regulatory bodies, non-departmental public bodies, awarding organisations, Sector Skills Councils and centres. Details of the actual activities are further explored in the next section using the drivers and determinants tables as the maps only capture inter-organisational and interface activities and not the cost drivers.

The concurrent processes that organisations must operate in relation to both general qualifications and different vocational qualifications are made visible in the maps. Vocational qualifications have more approval lines to go through than general qualifications and there are also more stakeholders to deal with in that respect.

From Figure 6 we have drilled down to look at the information flows that exist for centres and for awarding bodies respectively in Figures 7 and 8. It can be seen that a lot of resources in the system are spent on centre and awarding organisation related activities for the delivery, assessment and awarding of qualifications. This is unsurprising given the direct relationship between assessment and delivery. However, it also provides an indication that there might be high cost drivers associated with these relationships. This is considered further in the cost drivers and determinants section of this report.

Figure 8 shows strong lines of information flows between awarding organisations and Ofqual This is a two way dialogue and exchange of information between the regulators and regulated. Figure 8 also shows high levels of information flows between awarding organisations providing general qualifications and schools, in particular significant information flows were identified between awarding organisations and examinations officers in the schools. This can be information about the qualifications in general but also specific liaison between the individuals and awarding organisations if the former require assistance.

Other strong lines showing high levels of activity exist between awarding organisations and other providers such as colleges and training providers and between colleges in England and the Learning and Skills Council.   Another strong flow is that between awarding organisations and SSCs that can be attributable to the additional process of SSCs creating NOS (National Occupational Standards).

Awarding organisations and centres in particular would seem to need to produce the same or similar information using various mediums and formats to meet the needs of various stakeholders. It may be appropriate in future phases of the Efficiency Study to seek to minimise such duplication through a review of the feasibility of improving information sharing to aid in finding efficiencies in the system.

There are sector specific regulators that some awarding organisations have to align with along with the qualifications regulator. An example of this would be sector specific awarding organisations that would need to work with regulatory bodies in areas such as food hygiene, health and safety that would have their own perspectives on related qualifications. This adds another dimension of complexity for the awarding organisations concerned and is captured in these maps as 'Other regulators – international, sector specific etc'.
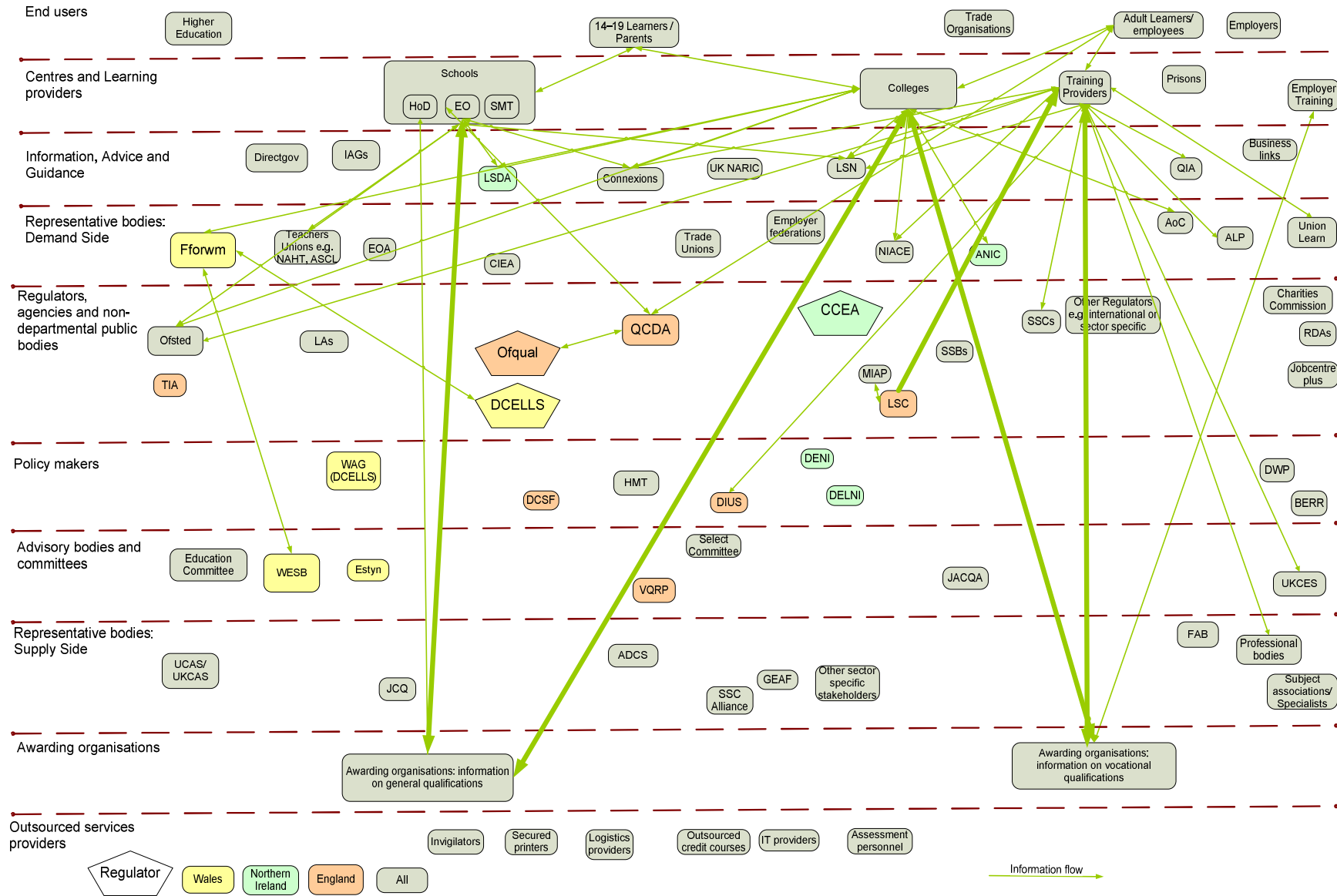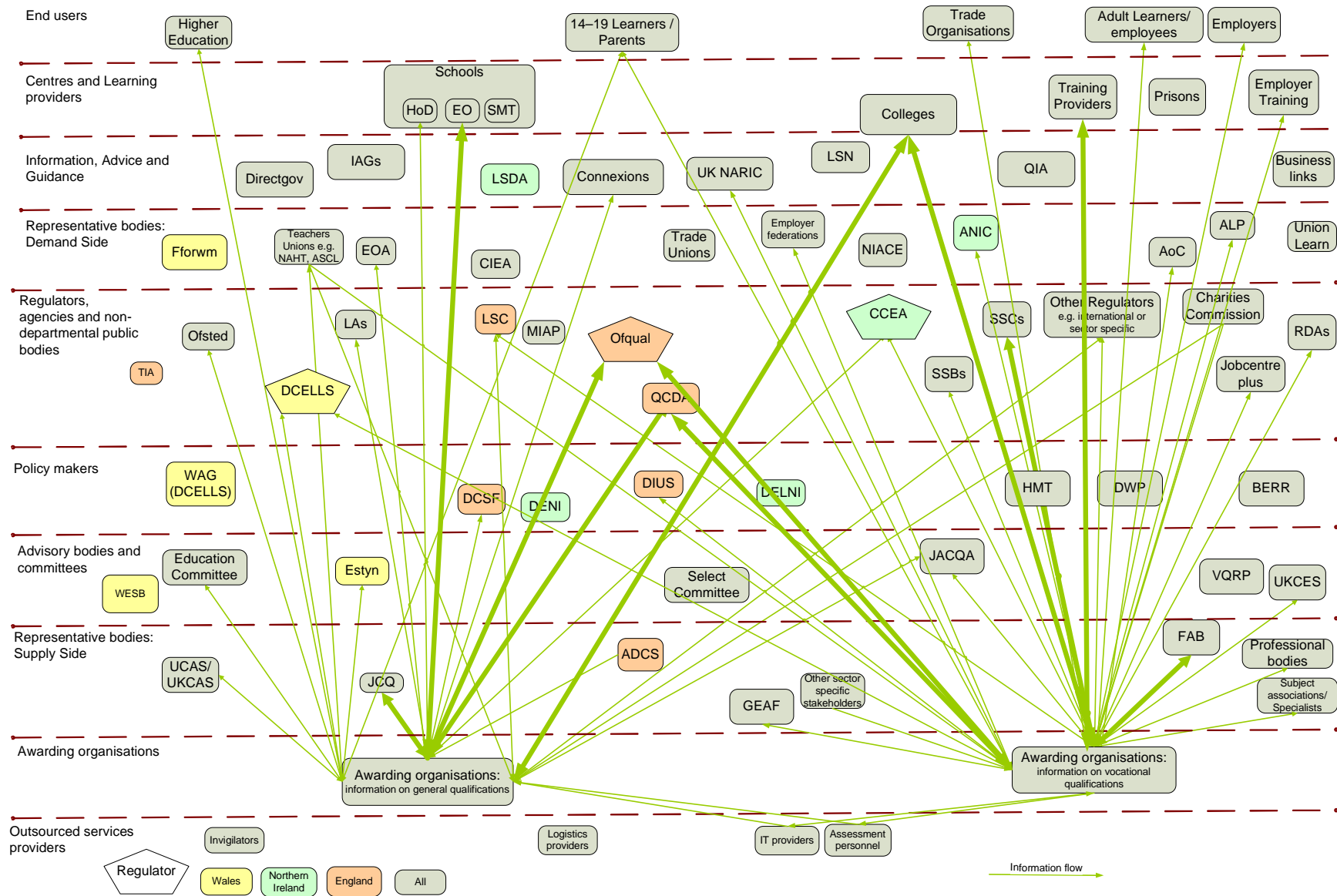
Figure 7 – Information flows for centres

End users

Centres and Learning providers

Information, Advice and Guidance

Representative bodies: Demand Side

Regulators, agencies and non-departmental public bodies

Policy makers

Advisory bodies and committees

Representative bodies: Supply Side

Awarding organisations

Outsourced services providers

Higher Education · 14–19 Learners / Parents · Trade Organisations · Adult Learners/ employees · Employers

Schools · HoD · EO · SMT · Colleges · Training Providers · Prisons · Employer Training

Directgov · IAGs · LSDA · Connexions · UK NARIC · LSN · QIA · Business links

Fforwm · Teachers Unions e.g. NAHT, ASCL · EOA · CIEA · Trade Unions · Employer federations · NIACE · ANIC · AoC · ALP · Union Learn

Ofsted · LAs · QCDA · CCEA · Other Regulators e.g. international or sector specific · SSCs · Charities Commission · RDAs

TIA · Ofqual · DCELLS · SSBs · MIAP · LSC · Jobcentre plus

WAG (DCELLS) · HMT · DCSF · DIUS · DENI · DELNI · DWP · BERR

Education Committee · WESB · Estyn · Select Committee · JACQA · UKCES

UCAS/ UKCAS · JCQ · ADCS · SSC Alliance · GEAF · Other sector specific stakeholders · FAB · Professional bodies · Subject associations/ Specialists · VQRP

Awarding organisations: information on general qualifications · Awarding organisations: information on vocational qualifications

Invigilators · Secured printers · Logistics providers · Outsourced credit courses · IT providers · Assessment personnel

Regulator · Wales · Northern Ireland · England · All · Information flow

Figure 8 – Information flows for the awarding organisations

End users
Higher Education · 14–19 Learners / Parents · Trade Organisations · Adult Learners/employees · Employers

Centres and Learning providers
Schools (HoD · EO · SMT) · Colleges · Training Providers · Prisons · Employer Training

Information, Advice and Guidance
Directgov · IAGs · LSDA · Connexions · UK NARIC · LSN · QIA · Business links

Representative bodies: Demand Side
Fforwm · Teachers Unions e.g. NAHT, ASCL · EOA · CIEA · Trade Unions · Employer federations · NIACE · ANIC · AoC · ALP · Union Learn

Regulators, agencies and non-departmental public bodies
Ofsted · TIA · DCELLS · LAs · LSC · MIAP · Ofqual · QCDA · CCEA · SSCs · Other Regulators e.g. international or sector specific · SSBs · Charities Commission · RDAs · Jobcentre plus

Policy makers
WAG (DCELLS) · DCSF · DENI · DIUS · DELNI · HMT · DWP · BERR

Advisory bodies and committees
WESB · Education Committee · Estyn · Select Committee · JACQA · VQRP · UKCES

Representative bodies: Supply Side
UCAS/UKCAS · JCQ · ADCS · GEAF · Other sector specific stakeholders · FAB · Professional bodies · Subject associations/ Specialists

Awarding organisations
Awarding organisations: information on general qualifications · Awarding organisations: information on vocational qualifications

Outsourced services providers
Invigilators · Logistics providers · IT providers · Assessment personnel

Regulator · Wales · Northern Ireland · England · All · Information flow

Funding flows (Figures 9-11)

Funding flows describe the sources of funding for stakeholders within the qualifications system and their areas of key expenditure. As with the information flows, key funding flows for centres and awarding organisations have been represented by the use of thicker lines.

In Figure 9, the main funding flows are shown in bold and these are examined in more detail in Figures 10 and 11. Figure 9 shows that funding for the regulated qualifications system is not straightforward. There are a large number of players involved in the funding of qualifications and the funding of the development of qualifications. Figure 9 illustrates how it is difficult to generate behavioural change directly linked to funding in a way that might be possible if the purchaser in the system was the direct benefactor.

Figure 9 also depicts the high number of stakeholders identified as policy makers and regulators, agencies and non-departmental government bodies and the funding flows between them. The number of players within the system who have funding to meet slightly or very different agendas can mean that there are competing priorities being delivered in the system and those organisations with the greatest levels of funding therefore have higher levels of power.

As shown in Figure 10, most providers receive their funding from local authorities or government. Funding is more complicated for private training providers, which receive funds from a wide range of sources such as professional bodies, government and industrial training boards. The main expenditure by providers is to awarding organisations in terms of fees; other expenditure includes remuneration for invigilators as well as membership fees.

Figure 11 shows the main funding flows that exist in the system in relation to awarding organisations, as identified by our consultees. There are fewer flows into or the funding of general qualifications compared to vocational qualifications. The main funding routes come from the centres to the awarding organisations.

Subsidiary funding lines flow to and from the awarding organisations but it is important that not all awarding organisations will have all of the funding flows. For those where there are more flows these may include; purchase of additional resources by learners and their parents from the awarding organisations, funding for specialist qualifications from professional bodies and funding to take part in certain qualification development work. Funding flows from the awarding organisations into areas such as membership fees for organisations e.g. the Federation for Awarding Bodies (FAB) or the JCQ (the Joint Council for Qualifications); payments to assessment personnel and professional examinations teams.

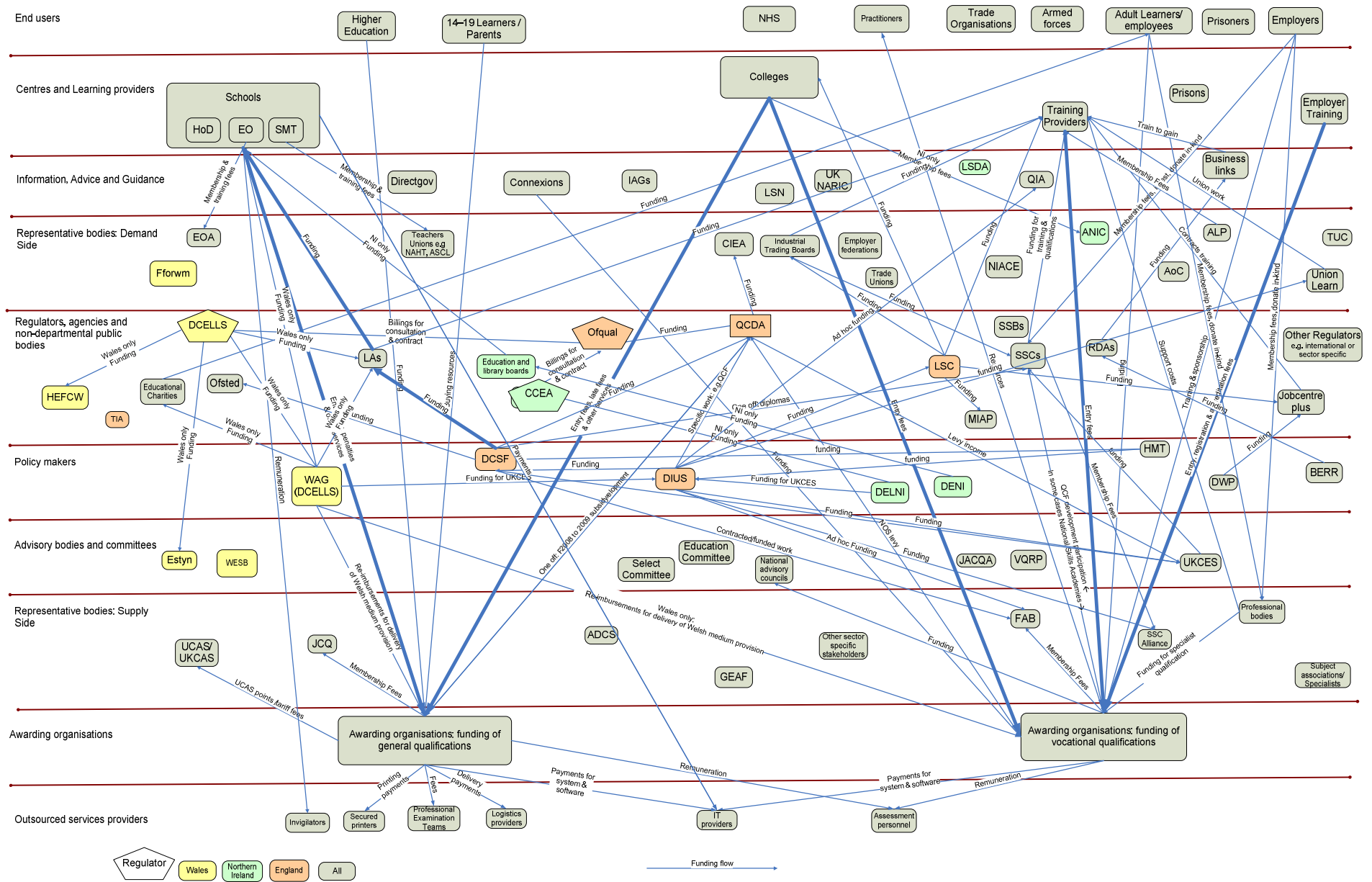# Figure 9 – Funding flows for the whole system
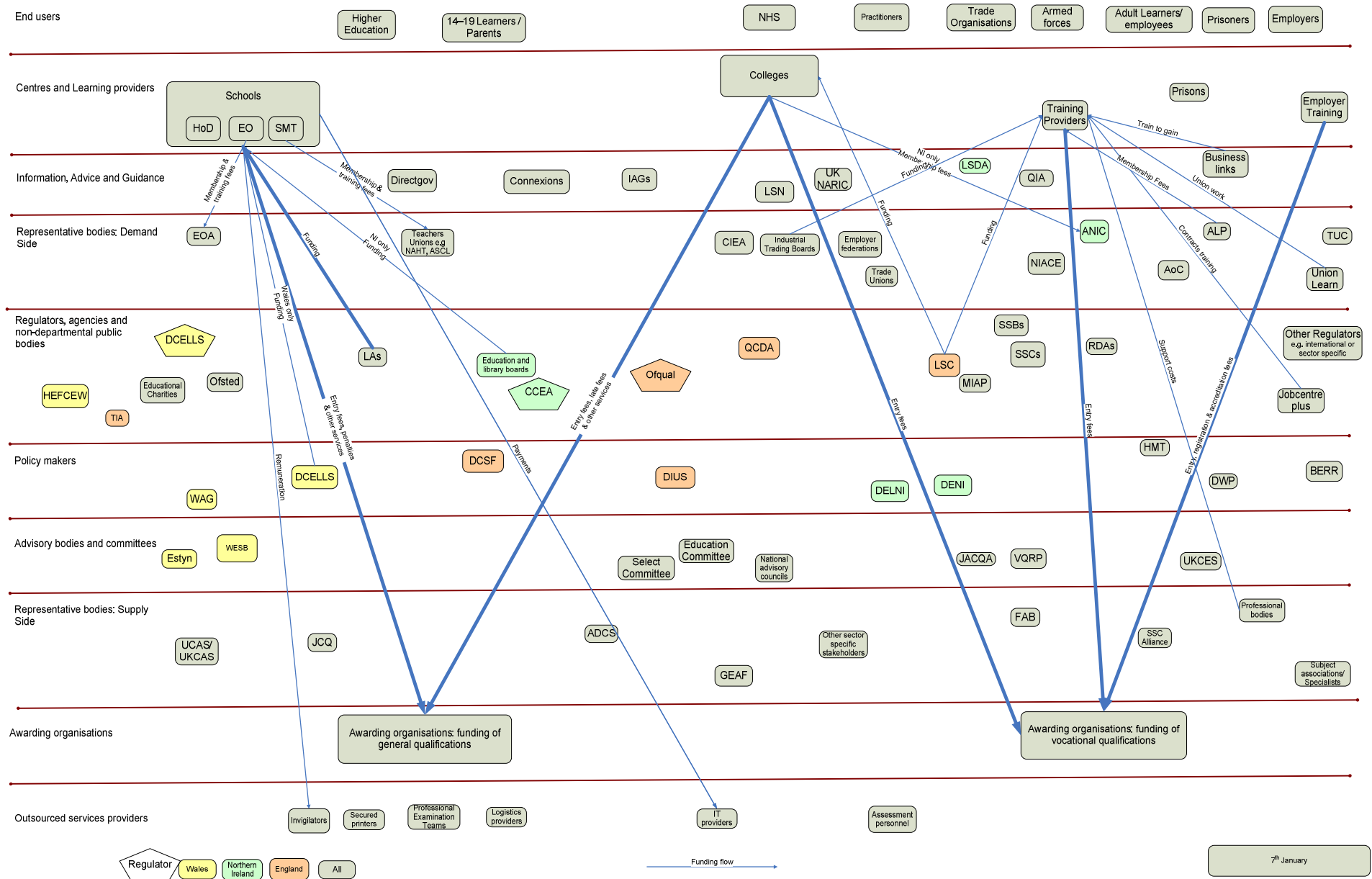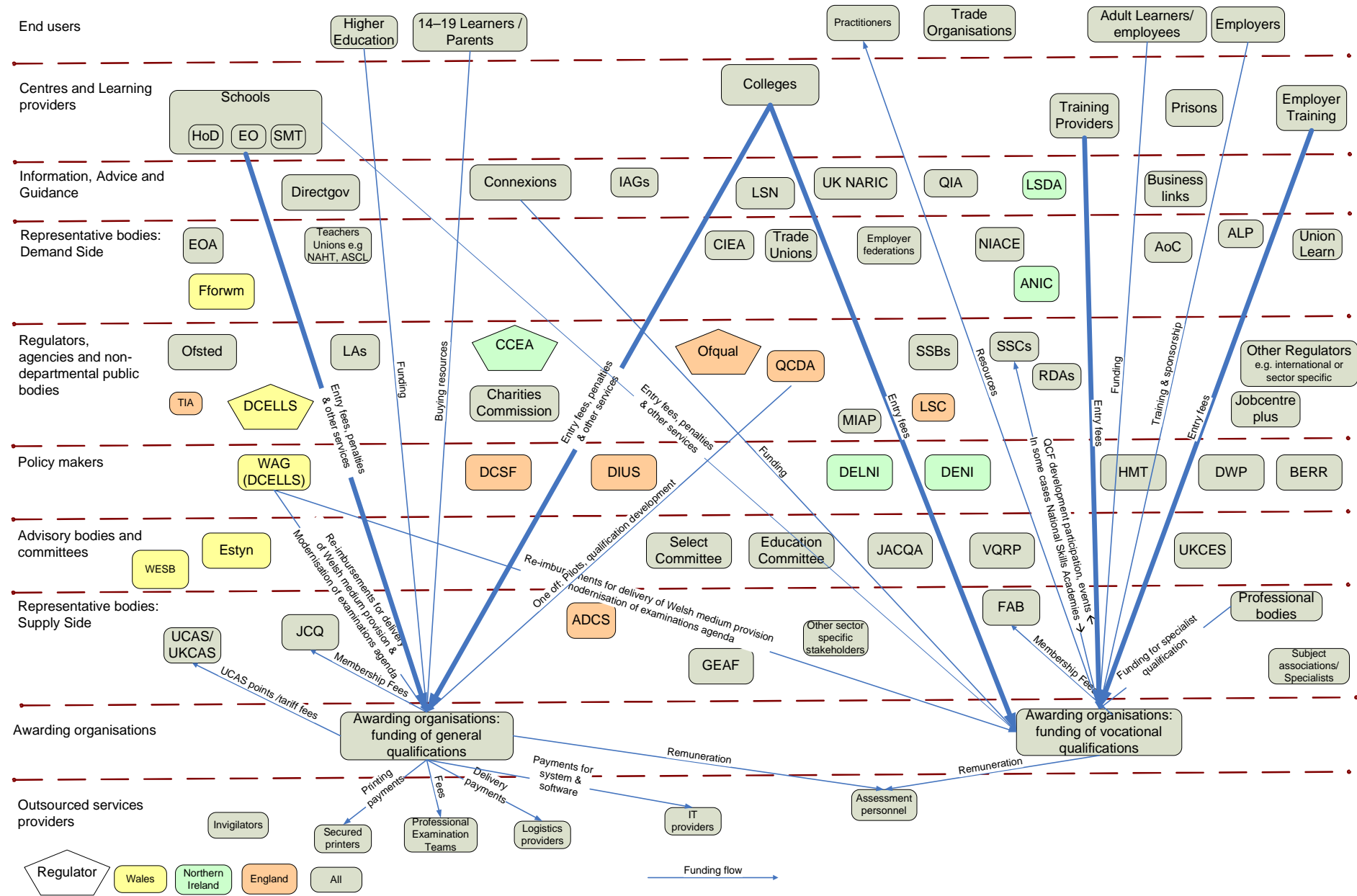
Figure 10 – Funding flows for centres

End users
Higher Education · 14–19 Learners / Parents · NHS · Practitioners · Trade Organisations · Armed forces · Adult Learners/ employees · Prisoners · Employers

Centres and Learning providers
Schools (HoD, EO, SMT) · Colleges · Prisons · Training Providers · Employer Training

Information, Advice and Guidance
Directgov · Connexions · IAGs · LSN · UK NARIC · LSDA · QIA · Business links

Representative bodies: Demand Side
EOA · Teachers Unions e.g NAHT, ASCL · CIEA · Industrial Trading Boards · Employer federations · Trade Unions · ANIC · NIACE · ALP · AoC · TUC · Union Learn

Regulators, agencies and non-departmental public bodies
DCELLS · Educational Charities · Ofsted · LAs · Education and library boards · CCEA · Ofqual · QCDA · LSC · MIAP · SSBs · SSCs · RDAs · Other Regulators e.g. international or sector specific · Jobcentre plus · HEFCEW · TIA

Policy makers
DCSF · DIUS · DELNI · DENI · HMT · DWP · BERR · DCELLS · WAG

Advisory bodies and committees
Estyn · WESB · Select Committee · Education Committee · National advisory councils · JACQA · VQRP · UKCES

Representative bodies: Supply Side
UCAS/ UKCAS · JCQ · ADCS · Other sector specific stakeholders · FAB · SSC Alliance · Professional bodies · GEAF · Subject associations/ Specialists

Awarding organisations
Awarding organisations: funding of general qualifications · Awarding organisations: funding of vocational qualifications

Outsourced services providers
Invigilators · Secured printers · Professional Examination Teams · Logistics providers · IT providers · Assessment personnel

Regulator: Wales · Northern Ireland · England · All

Funding flow

7th January

Figure 11 – Funding flows for awarding organisations

End users

Higher Education · 14–19 Learners / Parents · Practitioners · Trade Organisations · Adult Learners/ employees · Employers

Centres and Learning providers

Schools (HoD, EO, SMT) · Colleges · Training Providers · Prisons · Employer Training

Information, Advice and Guidance

Directgov · Connexions · IAGs · LSN · UK NARIC · QIA · LSDA · Business links

Representative bodies: Demand Side

EOA · Teachers Unions e.g NAHT, ASCL · CIEA · Trade Unions · Employer federations · NIACE · AoC · ALP · Union Learn · Fforwm · ANIC

Regulators, agencies and non-departmental public bodies

Ofsted · LAs · CCEA · Ofqual · QCDA · SSBs · SSCs · Other Regulators e.g. international or sector specific · TIA · DCELLS · Charities Commission · MIAP · LSC · RDAs · Jobcentre plus

Policy makers

WAG (DCELLS) · DCSF · DIUS · DELNI · DENI · HMT · DWP · BERR

Advisory bodies and committees

Estyn · Select Committee · Education Committee · JACQA · VQRP · UKCES · WESB

Representative bodies: Supply Side

UCAS/ UKCAS · JCQ · ADCS · GEAF · Other sector specific stakeholders · FAB · Professional bodies · Subject associations/ Specialists

Awarding organisations

Awarding organisations: funding of general qualifications · Awarding organisations: funding of vocational qualifications

Outsourced services providers

Invigilators · Secured printers · Professional Examination Teams · Logistics providers · IT providers · Assessment personnel

Labels on arrows: Entry fees, penalties & other services · Funding · Buying resources · Re-imbursements for delivery of Welsh medium provision & Modernisation of examinations agenda · Membership Fees · UCAS points /tariff fees · Printing payments · Fees · Delivery payments · Payments for system & software · Remuneration · One off: Pilots, qualification development · Re-imbursements for delivery of Welsh medium provision & modernisation of examinations agenda · Entry fees · Resources · Funding · QCF development participation, events In some cases National Skills Academies · Training & sponsorship · Funding for specialist qualification · Membership Fees

Regulator (legend) · Wales · Northern Ireland · England · All

Funding flow →

Material flows

'Material flows' describe areas where there are physical flows or material products such as certificates, exam papers, qualification content and publications. Figure 12 has more flow lines on it then might be expected. This is primarily due to the number of organisations involved in the material development of a qualification. This map also shows the influence that SSCs have on the development of qualifications.

Once the qualification is developed the material flows are relatively straightforward, for example an exam paper moves from the awarding organisation to the centre, the centre then moves the candidate's responses to the awarding organisation, which may or may not move those responses to an external assessor. Results of assessment are information flows that are captured on the previous diagrams, delivery of certificates are material flows that are captured here.

Figure 12 – Material flows for awarding organisations

End users

Higher Education

14–19 Learners / Parents

Practitioners

Trade Organisations

Adult Learners/ employees

Prisonsers

Employers

Application, Notifications, certificates

Application, Notifications, certificates

Application, notifications

Centres and Learning providers

Schools

HoD   EO   SMT

Colleges

Application, notifications

Prisons

Employer Training

Application, notifications

Publications

Training Providers

Apprenticeship certificates

Publications

Information, Advice and Guidance

Directgov

Connexions

IAGs

LSN

UK NARIC

QIA

LSDA

Business links

News and updates

Development of diplomas

Apprenticeship certificates

Apprenticeship certificates

Representative bodies: Demand Side

EOA

Teachers Unions e.g NAHT, ASCL

Trade Unions

Employer federations

NIACE

ANIC

AoC

ALP

Union Learn

Fforwm

CIEA

Test draft questions, advise on assessment & reporting arrangements, distribute threshold tables, provide analysis of results. Training and information on teacher assessments

Regulators, agencies and non-departmental public bodies

Ofsted

LAs

CCEA

Sector qualifications strategies

SSCs

RDAs

QAA

Other Regulators e.g. international or sector specific

TIA

DCELLS

Charities Commission

Regulations paperwork

Certificates

Guidance, research, WAG

QCDA

Ofqual

QCDA

Sector qualifications strategies

SSBs

MIAP   LSC

Apprenticeship frameworks

Diploma content, sector strategies, NOS and framework developments

Centre approval forms

Initiatives & publications

Policy instructions

Centre assignments

Jobcentre plus

Policy makers

WAG (DCELLS)

DCSF

DIUS

Regulations paperwork

Exam papers

Track and Trace, exam papers, instructions, certificates

Intelligence, sector trends

DELNI

DENI

Scripts

Intelligence, sector trends

JACQA

Approvals pilot process, content of qualifications and sector standards

Qualification development, content of qualifications and sector standards

Key skills tests

HMT

DWP

BERR

VQRP

UKCES

Advisory bodies and committees

WESB   Estyn

Regulatory requirements, syllabus, support materials. Submission of qualifications and materials for QCF

Select Committee

Key skills tests

Education Committee

Qualification criteria, frameworks

Submission of qualifications for QCF

Representative bodies: Supply Side

UCAS/ UKCAS

JCQ

ADCS

Other sector specific stakeholders

GEAF

SSC Alliance

Professional bodies

Subject associations/ Specialists

Awarding organisations

Awarding organisations: material flow of general qualifications

Awarding organisations: material flow of vocational qualifications

Exam papers

Scripts

Assessment materials, reporting

Outsourced services providers

Invigilators

Secured printers

Logistics providers

IT providers

Assessment personnel

Assessment Inspectors

Consultants/ contractors

Regulator   Wales   Northern Ireland   England   All

material flows

Section Three – Cost Drivers and Determinants

This section of the report provides information on the cost drivers within the system and in particular the high level cost drivers and cost determinants.

Drivers and determinants

Our definition of drivers and determinants are included below.

Table 3: Definition of Drivers and Determinants

Drivers	Determinants
Decisions or requirements made at all levels of the system. For example: the government's decision to raise the school leaving age or a school's decision to target a particular group of students for a particular qualification, or business as usual activities of an organisation which cause particular cost.	The costs of systems, processes and activities that organisations employ. For example exam registration or assessment regimes.

Having understood the current qualification system and the direction of influences within the system the identification of cost drivers and determinants provides a sound start point from which monetary and non monetary values can be assigned. From this the study can help to create an understanding of why there are particular high cost areas and whether the drivers or determinants could be altered in order to reduce these high cost areas - and therefore create efficiency savings in the qualifications system.

Discussion of cost drivers and determinants with experts in the sector has enabled us to identify comparatively high cost 'heat spots' in the system. These are detailed in this section of the report.

The tables of drivers and determinants were divided into specific function areas relating to qualification types. These functions and the definitions are included Table 4 below. This functional split originated from previous work completed on the qualifications system and was developed as a result of feedback received from the Efficiency Steering Group. Each function represents a section of the activities performed in the system and each was defined prior to our fieldwork. The functional split provides a useful tool from which cost drivers and determinants can be grouped and which can be used for more detailed cost based analysis in further high level efficiency work.

Table 4: Definition of Functions

Functions	Definition
Design and development	Drivers or determinants related to the design and development of a new qualification or marked changes to an existing qualification.
Assessment and award	Drivers or determinants related to assessing and awarding qualifications.
Delivery	Drivers and determinants related to the delivery of a qualification, but not including teaching related costs.
Investment and R&D	Drivers and determinants related to investment and research and development for the improvement of an existing qualification. Or investment and research and development in areas that are cross cutting for all or a number of existing (and potentially new qualifications) such as investment in technology.
Policy	Drivers and determinants related to policy formulation such as policy research, its conceptualisation, consultation, development, implementation, maintenance, evaluation, presentation, explanation and defence.
Regulation	Drivers and determinants relating to regulation activities.
Funding	Drivers and determinants that result from different types of income received from various sources, funding decisions, allocation methodologies and funding data returns.

Initially we used our research methodology in order to ascertain the cost drivers and determinants in the qualifications system. We pre-populated a series of tables from desk-based research detailing previously identified potential areas of cost for stakeholders within the system. The reports used in the desk-based research aspect of the study to inform the evidence base for the drivers and determinants can be viewed in more detail in Appendix D. Examples of reports used include the Annual Qualifications Market Report 2008 and the Scoping Exercise for the Study of the Efficiency of the Qualifications System.

On occasion cost drivers and determinants were provided to us in one function area, but by going back to our definitions we have then placed these in a more appropriate function area. This has ensured a consistent approach to where cost drivers have been assigned.

As would be expected a number of function areas are more relevant to some organisations within the system than others, depending on the role of that organisation.

We have divided the stakeholders involved in the consultation phase of the study into three distinct groups:

- Awarding organisations

- Centres and learning providers

- Policy makers, regulators, Sector Skills Councils, national or regional funding bodies and associated organisations.

This has enabled us to reflect both the demand and supply side perspectives.

Regarding the third category of stakeholders listed above we have provided overall findings in this section of the report, but do not present tables showing drivers and determinants for these organisations as they cannot be anonymised in the same way as tables for centres and awarding organisations. Nevertheless our analysis and findings have been informed by these consultations.

In the subsequent sections below we begin by discussing 'organisational or qualification specific' drivers' for each of the groups within the regulated qualification system and conclude by discussing the 'macro level drivers', which apply generally across the whole system.

Qualification and organisation level cost drivers

Any of the cost driver and activity areas identified in our research could merit further investigation to better understand the level of associated cost and underlying reasons for cost. This research provides a sound start point and we have identified through our consultations areas that awarding organisations viewed as comparative high cost areas for their organisations. There may be other cost drivers that were not identified by the awarding organisations during our research, particularly in relation to day to day activities. It was not, however, within the remit of this study to work within any particular organisation to map their day to day operations. Where the comparative box is left blank this indicates that stakeholders were unable to identify comparative costs, and further research is required.

The tables below detail the cost drivers and determinants that were identified during our research. We then discuss a number of matters relating to some of these cost drivers after each function. Some of the same cost drivers will appear within different functions, this is because the driving cost may be shared but its implications in terms of determinants or activities will vary depending on the function area being looked at.

Awarding organisations

The drivers identified by awarding organisations were mainly attributed across all of the qualification types rather than attributable to one qualification, but where it has been possible to designate drivers to a particular qualification group or type this is shown. In our approach we examined both the 'business as usual' activities of awarding organisations and well as change affecting their cost. However, cost drivers that were identified as comparatively high, were often more related to change than 'business as usual'.

Design & development (Drivers or determinants related to the design and development of a new qualification or marked changes to an existing qualification)			
Drivers	**Determinants**	**Comparative cost H/M/L**	**Static/ increasing/ decreasing/ fluctuating**
• **Move to more modular qualifications**	• Unit accreditation • Unit registration • Printing support materials • Staff development • Recruitment • Logging and cashing	Medium - High	
• **Changes to A Levels**	• Support materials • Staff development • Legacy systems	Medium – High (depending on provision)	
• **Introduction of Functional Skills in England**	• Risk assessment • Support materials • Staff development • Recruitment • Pilot testing	Potentially High	Increasing

Design & development (Drivers or determinants related to the design and development of a new qualification or marked changes to an existing qualification)			
Drivers	**Determinants**	**Comparative cost H/M/L**	**Static/ increasing/ decreasing/ fluctuating**
• **Introduction of Diplomas in England (and cost drivers of composite qualifications more generally)**	• Risk assessment • Aggregation • Pilot testing • Accreditation • Support materials • Diploma Aggregation Service • IT systems • MIAP • ULN • Learner record • IT systems • Training/staff development • Process re-design	Potentially High	
• **Development of e-assessment and e-marking**	• Recruitment • Pilot testing • Risk assessment • Capital	High	Fluctuating
• **SSC engagement/ SSC requirements**	• Meeting criteria • Gaining approval • Administration • Consultation • Buy in Sector expertise	High	
• **National Occupational Standards**	• Consultation • Approval • Amendments • Buy in Sector expertise		
• **Introduction of the QCF**	• Unit templates • Inter-awarding body working • Re-accreditation	Potentially High	
• **Introduction of the A* grade**	• Staff development • Legacy systems	Medium	

Role of Sector Skills Councils

The role of the Sector Skills Councils (SSCs) within the regulated qualifications system was mentioned in relation to the amount of engagement necessary by awarding organisations to meet SSC requirements. It should be noted that whilst organisations often recognised the value of the SSCs they said that the engagement did contribute significantly to their costs. This was also noted in the scoping exercise carried out prior to this study[4], where some organisations felt that the SSCs added to the 'bureaucracy and complexity' of the system. It was indicated that in the additional process of SSCs creating NOS (National Occupational Standards), the timing of their production and the quality of the end product had affected the

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[4] Scoping Exercise for a Study of the Efficiency of the Qualifications System

cost of qualification development particularly in time-bound policy developments such as the QCF.

The role of SSCs was cited as having an impact upon the design function of qualifications. In particular, organisations highlighted SSC approval criteria and the need to engage with SSCs as having a specific cost implication for their organisation.

A number of our consultees stated that engagement with SSCs resulted in significant time and personnel cost to their organisations because of their role in criteria approval but also because of the need to engage with SSCs to help them gain an understanding of the requirements of awarding organisations. In addition it was felt that the inconsistent working practices across the SSCs caused significant cost for awarding organisations, as in many instances SSCs have implemented different processes from one another. The role of the SSCs in the regulated qualification structure was therefore identified as a high comparative cost; awarding organisations also felt that this would be an increasing cost once their role increasingly involved the development of qualification criteria and approval.

Subject Associations

In commenting on our draft report, one awarding organisation told us that subject associations play a similar role to that of SSCs but in the general qualifications arena. For example, they exert an influence on the shape of qualifications offered by awarding organisations, and awarding organisations invest management time in liaising with them. Further research would be required to identify detailed drivers and determinants related to this role.

Changes in A levels

At a specific qualification level those awarding organisations offering general qualifications noted the changes in A levels as a specific cost driver, in particular changes from 6-4 units and the introduction of the A* grade. Changes such as these impacted upon the design and delivery function of qualifications and were viewed as a medium comparative cost moving to high dependent upon the breadth of provision an awarding organisation offered. The change in A levels was also picked up as a significant cost driver by the PKF review of Awarding Bodies' Fees.[5]

Running of legacy systems was a particular determinant of cost for awarding organisations. While the organisations were required to develop new support materials for centres there was a requirement to maintain the old materials. While this was only necessary for one year following the change the requirement did not disappear but simply shifted to the next qualification which was experiencing a change. This running of legacy systems was cited as a high cost for awarding organisations as it may be necessary every time a change in a qualification is introduced. We were told that this is because it requires the duplication of a whole range of activities such as the writing, printing and dispatch of assessment material; marker recruitment, training and supervision; moderation; awarding; and all the customer service activities needed to support centres.

Whereas changes in A levels were identified as a driver at a specific qualification level, other awarding organisations also noted that any required changes in a qualification would have specific cost implications for an awarding organisation. Associated cost determinants included the re-design and re-printing of support materials and staff development required to ensure the centres and organisation themselves were equipped to deliver the changes.

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[5] Review of Awarding Bodies' Fees, PKF 2006

Assessment and award (Drivers or determinants related to assessing and awarding qualifications)			
Drivers	**Determinants**	**Comparative cost H/M/L**	**Static/ increasing/ decreasing/ fluctuating**
• **Evidence based assessment**	• Moderation		
• **Controlled assessment**	• Staff development • Quality assurance • Verification	Medium	
• **Special arrangements/ adjustments**	• Administration • Registration • Accommodation • Re-printing of exam papers	High	Increasing
• **Move to modular examinations (GCSE)**	• Unit registration • Increased moderation • Invigilation • Verification • Recruitment • Logging and cashing	Medium - High	Increasing
• **Late entries**	• Administration • Recruitment • Invigilation • Printing of papers	High	Increasing
• **Increase in e-assessment**	• Legacy systems • IT systems • Recruitment • Staff development • Invigilation	High	Fluctuating
• **Timetabling/scheduling**	• Administration • Communication • Amendments		
• **Assessment and awarding procedures**	• Carriage • Recruitment • Moderation • Invigilation • Question writing • Buy-in sector expertise • Tracking results	Medium to High	
• **Verification**	• Staff development • Process design • Risk assessment • Administration • Recruitment	High	
• **External assessment**	• Administration • Assessor recruitment	High	
• **Composite qualifications**	• Tracking results • Inter-awarding body working • Aggregation	Medium	Increasing
• **Student identification**	• Error management • Additional administration	High	Increasing

Assessment and award (Drivers or determinants related to assessing and awarding qualifications)			
Drivers	**Determinants**	**Comparative cost H/M/L**	**Static/ increasing/ decreasing/ fluctuating**
• **Volume of uptakes**	• Offsetting against other qualifications • Printing • Carriage		
• **Aggregation**	• Administration • IT systems • Collaboration between awarding bodies		

Assessment and awarding procedures

In general the current assessment and awarding procedures were viewed as the main 'business as usual' cost driver with a high comparative cost due to the sheer number of activities that assessment and awarding procedures require. Stakeholders did not indicate whether they thought that this would increase or decrease as assessment and awarding procedures would for the most part always entail the relevant determinants.

Activities resulting from the procedures included carriage of papers, recruitment and development of examiners or markers, timetabling, high levels of administration, providing specimen papers, certification, and maintaining quality assurance procedures that surround assessment and award. For many organisations it required question writing and the buy-in of sector specific expertise, which in some instances was a significantly high cost.

Late entries

Late entries were cited as a high cost driver for some awarding organisations due not only to the unit cost of dealing with late entries but also the slack that awarding organisations needed to factor into their business plans to anticipate coping with entries that do not fit into the planned timetable and the added administration. One awarding organisation noted that the cost of late entries would be the biggest and easiest inefficiency to drive out of the system.

Special arrangement and special adjustments

The function of assessment and award is particularly relevant for awarding organisations and while there has already been discussion of certain drivers identified under this function, there were a number of key drivers which relate solely to this function.

Special adjustments and special arrangements for awarding organisations were cited as a high cost driver. It was found that the incidence of special arrangements and special adjustments for examination and assessment had increased[6]; furthermore awarding organisations felt this was set to increase further in the next 5-10 years.

Awarding organisations mentioned the increased cost of providing for special arrangements and special adjustments in regards to offering and awarding qualifications including question paper production, Disability Discrimination Act compliance and associated legal requirements.

E-assessment

The need to develop e-assessment capability was identified as a significant high cost driver for awarding organisations in a number of function areas. Many organisations noted that they were adding to their e-assessment portfolio, and certain awarding organisations are offering whole levels through e-assessment. The Annual Qualifications Market Report 2008 found that as of June 2007 19% of qualifications contained

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[6] Financial Modelling of the English Exams System, PricewaterhouseCoopers

e-assessment. This represented a growth of 60 qualifications in a 6 month period. The development of e-assessment and the need to increase this capability was a driver impacting upon the design, assessment and award and investment functions of qualifications.

A significant cost associated with e-assessment is the need to run it in parallel with the paper based system; many stakeholders could not see a time when the paper based system would no longer be required. E-assessment is viewed as an alternative or additional channel in the qualifications market rather than a replacement for the traditional paper based qualifications. Some stakeholders therefore felt that costs would remain high because of continued investment in e-assessment with sustained provision of a paper based system.

Delivery –support (Drivers and determinants related to the delivery of a qualification, but not including teaching related costs)			
Drivers	**Determinants**	**Comparative cost H/M/L**	**Static/ increasing/ decreasing/ fluctuating**
• **Changes to specifications (A Levels and GCSE)**	• Support materials • Staff development in centres • Legacy systems	High	Increasing
• **Introduction of the QCF**	• Staff development • Support materials • ULN	Potentially High	
• **Introduction of Diplomas in England**	• Inter-awarding body working • Staff development in centres • Support materials • MIAP (Managing Information Across Partners) • Diploma Aggregation Service • ULN	Potentially High	
• **High staff turnover of exams officers in centres**	• Retraining • Administrative errors	High	

Whilst awarding organisations do not deliver qualifications, the consultees did identify a number of drivers of their cost that are directly related to supporting delivery of their qualifications by centres.

High staff turnover of exams officers in centres

The awarding organisations identified the high staff turnover of exams officers, and the support required by them as a result, as a high cost driver. A business as usual cost that was not identified as a cost driver in this function is the day to day supporting and answering of questions and queries from examinations officers in centres. In previous work[7] we have identified that there is a heavy volume of information flowing between examinations officers and awarding bodies. While it has not been identified as a cost driver in the high level mapping work this is an area that could be investigated further.

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[7] Financial Modelling of the English exams system PwC 2005

Investment and R&D (Drivers and determinants related to investment and research and development for the improvement of an existing qualification. Or investment and research and development in areas that are cross cutting for all or a number of existing (and potentially new qualifications) such as investment in technology)			
Drivers	**Determinants**	**Comparative cost H/M/L**	**Static/ increasing/ decreasing/ fluctuating**
• **Development of e-assessment and e-marking**	• Legacy systems • Training/staff development • Recruitment • Pilot testing • Risk assessment • IT systems • Interoperability of IT system	High	Fluctuating
• **Lack of central information technology policy**	• Speculative investments • Development costs		

Development of e-assessment and e-marking

The development of e-assessment and e-marking was reported as having resulted in significant capital investment costs on the part of some awarding organisations, in activity areas such as investment in risk assessment and in the development of information technology systems. Further investment costs were identified as probably including investment in the interoperability of IT systems

E-assessment was identified as a high cost by the majority of awarding organisations who have or are considering it, although some felt that this had the potential to decrease once the systems are in place. A study into the drivers and barriers associated with e-assessment also found that awarding organisations believed that e-assessment had the potential to deliver considerable cost benefits[8].

The counter-arguments that this would continue to be a high cost driver were: that adoption by different centres may happen over a lengthy period, reducing the speed of pay back on investment; there will be a need to invest in updates as technology evolves over time; the adoption by centres requires support from awarding organisations; unless there is a complete change for a particular qualification, awarding organisations need to run paper-based and e-assessment examinations in parallel. There are costs to centres of providing or renting suitable space and equipment. As such this area remains uncertain and was seen as a fluctuating cost area over time.

Lack of central information technology policy

Some awarding organisations expressed the view that because there had been discussion at central policy levels about a technology policy they had either not moved forward or not invested in the way that they would have to date in the areas of e-assessment and to a certain extent e-marking. This lack of decision making and clarity was reported as leading to speculative investments and development costs that have not been taken forward as effectively as they might have if there had not been such a level of uncertainty in this area.

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8 Drivers and Barriers to the adoption of e-assessment for UK awarding bodies, Thomson

PricewaterhouseCoopers LLP

Policy (Drivers and determinants related to policy formulation such as policy research, its conceptualisation, consultation, development, implementation, maintenance, evaluation, presentation, explanation and defence.			
Drivers	Determinants	Comparative cost H/M/L	Static/ increasing/ decreasing/ fluctuating
• **Introduction of the QCF**	• New IT systems • Administration • Legacy systems • Re-accreditation • Logging/cashing results • Shared units • Consultation • Process re-design	Potentially High	
• **Changes to teacher workforce contracts**	• Recruitment • Staff development	Medium	
• **Disability Discrimination Act**	• Special adjustments • Administration • Compliance	High	Increasing
• **Frequency of government change**	• Re-accreditation • Approval • Administration • Consultation • Implementation • Amendments • Risk assessment	Medium - High	
• **Sector Qualification Strategy**	• Consultation • Unit development • Compliance • Approval		
• **QCA qualification criteria**	• Compliance • Administration • Amendments • Consultation	High	
• **Uncertainty over government changes**	• Not identified		

A number of policies were identified by awarding organisations as driving cost in relation to, for example, development and assessment and award. Awarding bodies also identified policy change and uncertainty as driving cost, although the activities associated with this were not identified.

Some awarding organisations identified responding to QCA qualification criteria as a high cost driver in the area of policy formulation, leading to activities such as consultation and administration.

Regulation (Drivers and determinants relating to regulation activities)			
Drivers	**Determinants**	**Comparative cost H/M/L**	**Static/ increasing/ decreasing/ fluctuating**
• **Quality assurance**	• Administration		
• **Dealing with complaints/malpractice**	• Administration • Logging complaint • Audit	Medium	Increasing
• **Self-assessment**	• Administration • Reporting • Amendments	Medium	
• **SSC approval**	• Administration • Amendments	High	
• **Additional external regulators**	• Balance • Administration • Consultation • Compliance • Audit • Amendments		
• **Code of practice**	• Meetings • Examiner training meetings	High	Increasing
• **Uncertainty over regulatory changes**	• Not identified		

The function of regulation was viewed by awarding organisations as a necessary aspect of their work. Regulation costs were generally referred to by organisations as being comparative medium costs. Activities included self-assessment and dealing with complaints and malpractice. While these were viewed as medium cost, one awarding organisation felt that complaints were increasing.

However, for a number of organisations, regulatory requirements do not end with one regulator. Rather many awarding organisations will have to meet the regulatory requirements of sector specific regulators such as the Financial Services Authority. Associated activities include the staff time, administration and amendments and consultation that take place to meet regulatory requirements. The addition of sector specific regulators was cited as a high cost area for some awarding organisations and while they recognised the importance of this within the system, in some instances it represented a duplication of effort.

Funding (Drivers and determinants that result from different types of income received from various sources, funding decisions, allocation methodologies and funding data returns)			
Drivers	**Determinants**	**Comparative cost H/M/L**	**Static/ increasing/ decreasing/ fluctuating**
• **Economic slowdown**	• Risk assessment • Decline in training uptakes	Potentially High	
• **Removal of assessors' subsidies**	• Salary increase	High	

Funding (Drivers and determinants that result from different types of income received from various sources, funding decisions, allocation methodologies and funding data returns)			
Drivers	**Determinants**	**Comparative cost H/M/L**	**Static/ increasing/ decreasing/ fluctuating**
• **Volume of uptake**	• Offsetting between low volume and high volume subjects / qualifications		
• **Narrowness of VRQ funding**	• Not identified		
• **LSC funding model for QCF**	• Shared units • Administration • Collaboration		

Economic downturn

We are currently in a period of economic downturn, and while this has already taken hold it is expected that this will continue well into 2009. As this continues it is expected to have an impact upon the qualification system, in particular the vocational qualification sector.

The economic downturn was mentioned by several awarding organisations. Some awarding organisations expected an initial increase in qualification entry, as people seek to improve their skill set, followed by a decrease in the uptake of qualifications and training by both employers and individuals. The financial services sector in particular was viewed as being affected as the downturn continues.

Removal of examiner subsidies

QCA Tests and Exams Support[9] and DCELLS in Wales, had previously provided subsidies to awarding organisations for examiners and markers in order to increase markers' salaries which were traditionally low. These subsidies have now been removed and as such awarding organisations are now incurring the financial cost of increased payments to examiners and assessors. This was cited as a recent high cost driver.

Centres

We initially attempted to identify cost drivers and resulting activities for centres for different qualification types. While this was viable for certain qualifications, we found that many of the cost drivers and determinants for centres, as for awarding organisations, would cut across the qualification functions. Consequently, as before, our findings are outlined at function rather than qualification level. We have provided below a full list of cost drivers identified by centres during the consultation phase.

Design & development (Drivers or determinants related to the design and development of a new qualification or marked changes to an existing qualification)

Centres do not typically become involved in the design and development of a new qualification. Cost drivers associated with the introduction of new qualifications or marked changes to an existing qualification are therefore included in the delivery function.

It is our understanding that some centres are involved in the consultation phase of the development work but that this is a small amount of activity compared with the size of the centre market place.

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[9] Previously the National Assessment Agency (NAA)

Assessment and award (Drivers or determinants related to assessing and awarding qualifications)			
Cost Drivers	**Cost Determinants**	**Comparative cost H/M/L**	**Static/ increasing/ decreasing/ fluctuating**
• **E-assessment**	• IT systems • Training • Facilities scheduling • Invigilation	Medium – High	Fluctuating
• **Special arrangements and special requests**	• Accommodation • Individual requirements (writer, reader) • Added administration	High	
• **Increase in late entries fees**	• Administration • Registration • Fee	High	
• **Composite qualifications**	• Additional administration	High	
• **Current assessment and awarding procedures**	• Registration • Invigilation • Accommodation • Additional administration	High	
• **Grade challenges and re-sits**	• Teacher's time	Low	Passed on to users
• **Raising participation age**	• Volume of registration • Additional administration	Medium	
• **Grade challenges**	• Not identified	Low	Passed on to users
• **Publication of results**	• Not identified		
• **Move to more internal assessment by teachers**	• Internal Verification • Training • Time • administration		
• **Introduction of controlled assessment in GCSE**	• Recruitment • Staff training • Accommodation • Invigilation	Potentially High	

Development of e-assessment

Within the assessment and award function, centres cited that they are likely to undertake a large number of activities, including increased invigilation as learner numbers in one room could reduce. An additional aspect causing cost was the increased potential for learners to re-take the test on demand for which centres would then have to provide accommodation and invigilation to facilitate this.

Special adjustments and special arrangements

Special adjustments and special arrangements were identified as a driver. The associated activities determined by special adjustments included, additional administration for the exams office and centre staff, the additional accommodation requirements needed for certain special arrangements and added invigilation. One centre representative pointed out that one individual learner could potentially qualify for a writer, an individual room or added exam time, all adding to the cost on the centre. Overall however the sheer volume of special arrangements centres were now processing was a cost in itself.

A report completed into the Financial Modelling of the English Exams System[10] found that special arrangements and special adjustments take up a significant amount of administration time for centres.

Assessment and awarding procedures

As with awarding organisations, centres also felt that assessment and awarding procedures was a high cost driver for centres. Furthermore it was cited that this was likely to increase with the increase in candidates and qualifications going through the system. Our desk-based research found that centres faced largely internal costs involving staff to manage the exams entry, invigilation and the results process. One centre representative noted that some schools now have to rent additional accommodation to meet the increased examination volumes.

The area of assessment and awarding was a particular consideration for those centres dealing with multiple awarding organisations, as they have to work within the different registration and entry practices across awarding bodies. Many centres who work with a range of awarding organisations felt this was a high cost driver and could result in a duplication of work.

Late entries

The majority of centres and representative organisations felt that late entries were a particular high cost driver. However, one college classified this as a low cost driver, as they had actively sought to decrease the number of late entries within their centre. However many of those within centres we spoke to felt that there was such a short window of opportunity for centres to register learners that in some instances late entries were actually a feature of the complexity of the system.

Controlled assessment

An additional driver of cost in the area of assessment and award was the introduction of controlled assessment at GCSE level. Centres raised concerns about the potential implications of controlled assessment and the additional resource that may be required.

On the whole the implications of controlled assessment were unclear depending upon whether it was actually possible for this to take place during class time. However centre representatives felt there was a possibility that unions would request that an invigilator is present during controlled assessment, adding to the costs of the centre. Additional to this were the accommodation requirements if controlled assessment could not be undertaken during class time with other learners.

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[10] Financial Modelling of the English Exams System, PwC 2005

Delivery (Drivers and activities related to the delivery of a qualification, but not including teaching related costs)			
Cost Drivers	**Cost Activities**	**Comparative cost H/M/L**	**Static/ increasing/ decreasing/ fluctuating**
• **Introduction of QCF**	• IT systems and interoperability • Administration • Training	Potentially High	
• **Introduction of diplomas**	• Aggregation • Training • Recruitment • Accommodation • Time tabling • Collaboration elements • Increased staff hours • Transport	Potentially High	
• **National occupational standards board**	• Not identified	Low	
• **Work-based learning**	• Assessment • Recruitment	High	
• **Increase in number of qualifications taken in the system**	• Timetable clashes • Additional admin • Accommodation • Invigilation • Increased exam fees • Increased registration	Medium	
• **Introduction of the extended project**	• Training • Registration • Invigilation • New support materials	Not known	
• **Introduction of functional skills**	• New support materials • Training • Pilot • Parallel running of functional skills and Essential Skills (Wales)	Potentially High	
• **Changes in a levels from 6-4 units (and any change in a qualification)**	• Invigilation • Follow-up admin	High	
• **Changes to A levels**	• Training on new syllabus	Low –Medium	Fluctuating (depends on provision)
• **Apprenticeships framework**	• Complexity • Technical certificate • Accreditation • Risk monitoring • Quality assurance	High	

Delivery (Drivers and activities related to the delivery of a qualification, but not including teaching related costs)			
Cost Drivers	Cost Activities	Comparative cost H/M/L	Static/ increasing/ decreasing/ fluctuating
• **Introduction of the foundation learning tier**	• Training • Support materials		
• **Introduction of the extended project**	• Training • Registration • invigilation	Low (because its unknown)	
• **Foundation learning tier**	• Not identified		
• **Train to gain**	• Not identified		
• **Move towards more personalised learning**	• Administration • Unit registration • Aggregation		

Our study did not include costs relating to the delivery of learning, only those relating to the delivery of qualifications. A large number of delivery drivers were identified within this function for centres and the majority of these were focussed on the cost of introducing change as a result of changes in the qualification system, particularly in relation to specific qualification types.

Centres did want to take the opportunity of our review to highlight that increased ICT requirements within qualification delivery and increased levels of applied and vocational learning were adding to the costs that they incur, however, these are outside of the remit of this work.

Training and administration were the two most common activities identified by centres as influencing costs when new qualifications, or changes to the delivery of qualifications are required. Centres state that these changes can be time consuming and that the introduction of change can seem to lack central co-ordination.

Centres stated that the increase in the volume of qualifications taken was a medium cost driver resulting in activities such as timetabling and resolving timetabling issues, administration and invigilation.

Investment and R&D (Drivers and determinants related to investment and research and development for the improvement of an existing qualification. Or investment and research and development in areas that are cross cutting for all or a number of existing (and potentially new qualifications) such as investment in technology)			
Cost Drivers	Cost Determinants	**Comparative cost H/M/L**	**Static/ increasing/ decreasing/ fluctuating**
• **E-assessment**	• Equipment • System integration	Potentially high	

Development of e-assessment

The development and integration of e-assessment was identified as a high cost driver, in particular the cost to centres of integrating the new systems.

Policy (Drivers and determinants related to policy formulation such as policy research, its conceptualisation, consultation, development, implementation, maintenance, evaluation, presentation, explanation and defence)			
Cost Drivers	Cost Determinants	Comparative cost H/M/L	Static/ increasing/ decreasing/ fluctuating
• **The number of qualification reforms**	• Training • Support materials	High	
• **Number of government initiatives and pace of change**	• Training • Recruitment	High	
• **Split between DCSF and DIUS for 14-19 qualifications**	• Additional administration		
• **Role of LA in 14-19 qualifications**	• Additional admin • Attending meetings		

Centres highlighted the pace and range of policy change as a high cost driver, the areas in which the centres have felt this change are detailed under the 'delivery' function.

The main expenditure determinants that fall from policy changes that have resulted in structural change – for example the change in government departments in England and the change in the role of Local Authorities in England have mainly been additional administration costs.

Regulation (Drivers and determinants relating to regulation activities)			
Cost Drivers	Cost Determinants	Comparative cost H/M/L	Static/ increasing/ decreasing/ fluctuating
• **Introduction of the QCF**	• Aggregation • Compliance	Potentially High	
• **Duplication of information to various bodies**	• Administration		

Centres stated that they can be required to provide duplicate information to various bodies within the qualification system leading to additional administration costs– in particular when they are working with more than one awarding body. Some centres expressed the view that they thought that there should be a more streamlined process for awarding organisations to approve and quality assure centres rather than each awarding organisation having a separate set of procedures and associated visits.

Funding (Drivers and determinants that result from different types of income received from various sources, funding decisions, allocation methodologies and funding data returns)			
Cost Drivers	Cost Determinants	Comparative cost H/M/L	Static/ increasing/ decreasing/ fluctuating
• **LSC qualification funding of informal courses**	• Marking • Verification • Registration • Ongoing assessment	High	

Funding (Drivers and determinants that result from different types of income received from various sources, funding decisions, allocation methodologies and funding data returns)			
Cost Drivers	Cost Determinants	Comparative cost H/M/L	Static/ increasing/ decreasing/ fluctuating
• **14-19 entitlement framework**	• Accreditation		
• **Changes to teachers workforce contracts meaning they are no longer EOs.**	• Recruitment • Training • Retention	High	Increase

Changes to teacher workforce contracts

A significant driver which was identified as a high cost for centres and learning providers were the changes to teacher workforce contracts. These changes mean that teachers can no longer act as invigilators or as exams officers. While these have not yet been fully implemented, schools in particular felt that this driver was a high cost and would increase once the changes have been fully implemented.

We found that this would be most likely to impact upon schools as colleges already employed external invigilators and support staff for the exams officer role. The implications of this driver in the short term are the recruitment of invigilators and exams officers and in the longer term staff development requirements. We are aware that a number of schools have already remodelled to incorporate examinations officers and have found efficient models for doing so and CCEA operates an invigilation system for schools. It is therefore possible that dissemination of good practice operating models may help to prevent this from being a high cost driver.

Economic downturn

Centres said that they would expect to see the effects of the downturn in the uptake of training. They felt that employers may be reluctant to allow learners time away from work, e.g. if they should need to re-sit any qualifications. Centres also expressed a concern that the downturn may eventually affect public spending and therefore affect qualification funding.

Funding and contracting

There were no occurrences where centres mentioned choosing qualifications based on price considerations. Centres and learning providers agreed they choose a qualification based on factors such as: the most appropriate syllabus for the learners and support provided to centres. Awarding organisations also supported this view regarding centre choice of qualification, and this is further supported by the literature which indicates that awarding organisations feel the main deciding factors for centres are brand and service[11].

Nonetheless our consultation uncovered examples of collaboration between learning providers in certain areas in order to negotiate a reduction in the price of their qualifications with specific awarding bodies. While the centres we consulted were not involved in these negotiations, they were aware that such practice do take place.

However, there were issues relating to the changing of awarding bodies for a qualification. Our research indicated that centres and learning providers found it difficult to change from one awarding body to another and rarely do so. Europe Economics also found that the propensity of centres to change awarding organisations was hindered by 'sink costs'[12]. In economic terms such 'switching costs' are a factor that will limit market efficiency.

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[11] Review of awarding body fees – PKF 2006

[12] Scoping exercise for the study of the efficiency of the qualifications system; Europe Economics 2007

An additional issue concerning funding was the way in which targets drive LSC funding arrangements, which in turn leads to some learners being steered towards whole qualifications even when centres believe this is not necessarily the correct route for them.

It is important to recognise that targets represent government policy, which ultimately aims to drive learners and providers towards enhancing employability (through achievement of accredited qualifications) and higher levels of learning. The introduction of comparable achievement at the level of modules of learning, through the QCF, may begin to address this issue, depending on associated funding and target regimes.

Policy makers, agencies, regulators and sector skills councils

The consultation phase of this study incorporated a number of policy makers and regulators as they are an integral part of the regulated qualifications system. The consultation allowed us to identify the drivers for other bodies within the system and the comparative cost which resulted. Additional organisations consulted include policy makers across England and Wales, regulators across England, Wales and Northern Ireland, and additional associated agencies involved in the regulated qualifications system.

Policy makers felt there were a number of cost drivers in the system for them including:

Aligning qualifications systems

One particular area that was identified as a high cost driver in the system was that of aligning the qualifications system in one country with another. This was a particular consideration for the administrations in Northern Ireland and Wales and is discussed in more detail within the corresponding sections of this report. Policy makers noted the high cost of consultation and associated transport costs. This is a result of collaboration between the devolved administrations to ensure that policy is aligned and that there is alignment between the three countries. Policy makers also recognised that the frequency and pace of change within the regulated qualifications system adds to difficulties in this alignment process. This also has an impact on awarding organisations as considerable management time is spent engaging with policy makers and other stakeholders for each of the UK's qualifications frameworks.

Consultation with layers within the system

Working with the different layers within the system was mentioned as a high cost driver, the main reason for this was the amount of consultation and 'traffic' that passes between the layers. It was stated by some that the level of expected stakeholder engagement has been increasing but has not been matched by resource.

Volume of qualifications taken

Some stakeholders referred to the increasing number of qualifications that are being taken by individuals as a high level cost driver. This was particularly mentioned in relation to general qualifications.

Sector Skill Councils' high cost drivers

Some of the main high cost drivers identified by the SSCs consulted included:

- Relicensing work although planning for the longer term was stated as challenging given the number of uncertainties faced

- Meeting the Leitch Review targets

- In the future in particular a potential high cost driver will be the approvals process and working with awarding organisations

- Diplomas 14-19 (high cost and increasing).

Macro level drivers

Macro level cost drivers were captured through our interviews when discussing system interfaces and influences and in answer to interview questions such as the following:

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'Do you consider that there are any particular heat spots that create high costs to you as a consequence of the structure of the regulated qualifications system?'

The main macro level drivers mentioned by stakeholders were:

- the complexity of the regulated qualifications system that leads to high levels of stakeholder activity

- involvement and liaison between stakeholders through a number of layers without a clear understanding within the system of one another's roles

- frequency of change, nature of consultation and manner of implementation of change within the qualifications system.

In addition:

- The recent economic downturn was cited by a number of stakeholders as causing concern as a high cost driver.

Each of these areas is explained in more detail below.

Complexity of the regulated qualification system

There is a view that the increased number of qualifications and stakeholders that now exist in the system has created confusion and driven up costs. What is viewed as inadequate explanation to centres and learners about the qualifications and their purpose and the roles of new stakeholders within the regulated qualification system has resulted in increased complexity for the learner and centres, in particular for those taking vocational qualifications.[13]. This has become a cost driver as school and college representative bodies mentioned that they felt they were spending more time explaining the system to their members to ensure they were aware of new players in the system.

High levels of stakeholder engagement across the system

The complexity of the regulated qualifications system was also cited as a significant cost driver for numerous organisations in the system. As the qualification structure expands to incorporate new organisations and the changing role of existing stakeholders, it remains imperative that organisations maintain communication with each other. The requirement of continued collaboration and interaction within the system has become a significant driver of cost. This can entail significant cost for organisations, in particular smaller organisations. Stakeholders noted the rise in the cost of stakeholder management and increased consultation.

One stakeholder commented that "*you don't know who you will need to talk to next…information flows could change on a monthly basis, something that was not a flow becomes one and you therefore need to start to engage with a new organisation*".

Frequency of change within the qualifications system

The regulated qualification system has undergone significant change in the past few years, including the introduction of SSCs. Stakeholders mentioned that the frequency of change occurring within the system is an important cost driver for their organisations. This has become more prevalent in recent years as organisations have needed to become increasingly aligned with the priorities and direction of government policy.

Change filters down into every aspect of the qualification system and organisations must modify their activities and processes in order to meet these changes. Some stakeholders on both the demand and supply side said that as soon as they had implemented changes within their organisation another change was being developed at the policy level, examples given of this '*churn of activities*' through the system included the introduction of 14-19 Diplomas and the separation of the DfES.

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13 Europe economics, Scoping Exercise for a Study of the Efficiency of the Qualifications System

All stakeholders who commented welcomed continuous improvement, however this was alongside a need for cohesion. Concern was raised about maintaining standards in the face of continuous change and this was stated to be a challenge for many organisations. There would therefore seem to be the need to ensure that change in the system does not adversely affect standards or the service provided to learners and candidates.

Linked to change, a driver at the macro level was mentioned by some stakeholders to be the cost of response to government consultation at the beginning of any new change process. Others felt that change is initiated without sufficient government consultation at the awarding body and centre level where the majority of the qualification expertise lies. Some stakeholders did feel that cost estimates and other impacts were not sufficiently explored or communicated.

Consideration could be given to reviewing or being explicit about the consultation process that is in place for policy development in the qualifications system to alleviate these perceptions.

Wales and Northern Ireland

This study incorporates the regulated qualification system in England, Wales and Northern Ireland. As such our consultations have included awarding organisations, centres and learning providers and policy makers, regulators and associated organisations from the three countries. The following sections outline the drivers and determinants uncovered through regional consultations that are different to or add to those already detailed in the sections above.

Northern Ireland

Macro level

As before there were a number of macro level drivers identified by organisations. Policy divergence and the cost of policy change was a particular driver of cost for awarding organisations in Northern Ireland. Policy in the three countries is continually diverging and awarding organisations need to balance keeping in step with central government change while also ensuring that they provide for their own market and missions.

There is an increasing need to ensure that qualifications while not equivalent are comparable.

The cost of consultation within the system was also a high cost area at a macro level. Organisations in Northern Ireland must maintain communication links with the bodies within the system, however the cost of this is compounded by their geographic location which can increase personnel and transport costs.

As with England, organisations also noted that the economic downturn could affect in particular vocational qualifications.

Awarding organisations

Market size

The Northern Ireland market is significantly smaller than in England and this is combined with a decline in Northern Ireland demographics. This will have an impact on qualification development costs for awarding organisations. As the volume of uptake is much smaller in Northern Ireland, there will be larger overhead costs to absorb

The challenge therefore for awarding organisations in Northern Ireland is the need to provide a breadth of opportunity for Northern Ireland learners within a system which has low volumes and this presents a high development cost for organisations because they are potentially providing qualifications alongside a reduced income.

Irish Medium (Irish Language)

The CCEA in Northern Ireland incur the cost of printing materials and providing all necessary support in both languages. The high cost results from recruitment and training of assessors and markers for Irish language scripts and the costs of translation. This does not apply to other awarding organisations, which do not offer Irish Language provision.

PricewaterhouseCoopers LLP

E-assessment

As in England, the need to development e-assessment was also highlighted as an area of particular high cost to awarding organisations.

Assessment and awarding procedures

Assessment and awarding procedures were also cited as a significant cost driver. As before the sheer number of activities surrounding awarding procedures caused this to be a high cost driver. We found that awarding was a high cost in terms of staff time and because of the increase in the number of qualifications taken there was an added staff requirement to cope with the activities. This was found to be more labour intensive on the general awarding organisation side, while on the vocational side it was mentioned as a cost driver but it was not stated as significant.

Strategic regulation burden

The move of regulators to more strategic regulation was found to have important implications for awarding organisations and was becoming a high cost driver. Of particular mention was the self-assessment report which was found to be a high cost in terms of staff time, changing work practices, follow-ups and reporting lines.

Centres

E-assessment

The provision of e-assessment was also recognised by centres as having a high cost implication and it was felt that the cost of this would increase, in particular because of the recruitment and staff development costs this would entail.

Special arrangements and special adjustments

In regards to assessment and awarding, centres felt that special arrangements and special adjustments had high cost implications, resulting in activities such as administration, accommodation, and increased invigilation. There were the added potential legal risks because the interpretation of special adjustments was left to the centre.

Cross awarding bodies working

As with England, the issue of working across awarding bodies had a specific cost implication in terms of administration, staff time and a duplication of effort. For a centre that works across awarding organisations it was difficult to avoid a duplication of effort in regards to the registration and entry of results. As many awarding organisations have differing procedures the centre was required to work within each of these.

Wales

Macro level

Qualifications developed in the Welsh system are also delivering in the English qualification system. Therefore while Wales have their own policy priorities stakeholders mentioned that the added cost to the awarding organisations is the requirement to address the Welsh and English stances on an individual policy area.

We also found that at a macro level awarding organisations felt there was a lack of pre-planning when a change was proposed. They felt that there should be a defined period for things to be shaped to allow awarding organisations time to adjust their processes in light of the change. It was stated that in the absence of this, organisations are "constantly re-working change beyond a reasonable time"; an example given was the introduction of controlled assessment in GCSEs (which were also introduced in England).

Awarding organisations

Welsh Medium (Welsh Language)

The need to provide support resources and qualification materials in the Welsh language was cited as a high cost for relevant awarding organisations. While the organisations do receive some funding to compensate for these costs it was stated that the actual cost was not covered and that the increase in quality assurance costs were a particular consideration. It was indicated that as demand for the Welsh language increases the cost of using the Welsh Medium will also increase; as it will if there is a requirement for more qualifications to be made available in the Welsh language.

Welsh Baccalaureate Qualification

The Welsh Baccalaureate Qualification (WBQ) is a composite qualification that has been introduced in Wales. While it was felt that this was not currently a high cost, it was reported that this would increase once the qualification was delivered on a wider level. Once the numbers increase there will be costs relating to activities such as centre support, IT systems, and the management of data flow between assessments, tracking component results and standardisation between results.

Regulatory requirements

Regulatory requirements were also indicated as a high cost area, and while they were deemed necessary there was a consideration that duplication of effort exists in some instances, for example when an audit completed elsewhere could have some standing.

Centres

Teacher's workforce contracts

As in England, changes to teacher's workforce contracts were highlighted as a high cost driver resulting in activities such as recruitment and staff development.

Late entries

Late entries were again cited as a cost driver, the overarching cost driver encompassing this was thought to be the increase in the number of examinations within the system.

Awarding organisation and centre heatmaps

A number of heatmaps are included below and they show the areas identified through our desk-based research and stakeholder interviews as both high cost and areas of potential inefficiency. The mapping in the following tables also identify the movement of the associated costs over the past 5 to 10 years through the use of arrows to show either an increase (▲), decrease (▼) or fluctuation (▼▲). Where we did not identify changes in cost no arrow is shown

These heatmaps have been included for centres and awarding organisations. We have also depicted the data by general qualification and vocational qualification.

The purpose of including heatmaps in the study is to provide an overview of where we have identified through our research the pressure points in the system. All of our identified heatspots have been identified as high cost drivers in the previous section, although not all high cost areas are included as heatspots as whilst high cost they were not identified as particular pressure points.

The included maps show:

- Heatspots by qualification type - 'as is'

    – Vocational

    – General.

- Heatspots by organisation type - 'as is'

    – Awarding organisation

    – Centres.

- Heatspots by organisation type - 'to be'

    – Awarding organisation

    – Centres.

The first set of tables illustrates the heatspots by qualification type; general and vocational. The tables show the heatspots as identified by organisations and the qualifications functions for which they have implications. While these have been divided by qualification type we can see that there are a number of drivers that are shared across qualification type. The second set of tables, illustrate the heatspots in the system by organisation type. These tables are included to provide Ofqual, DCELLS and CCEA particular possible pressure points within the qualifications system. In the next stages of the high level efficiency study the regulators can use any of the information provided in this exploratory research to investigate areas for potential efficiency savings. However, no assessment or analysis is provided in this report in relation to which areas these might be.

Table 5: Vocational qualification heatmap – 'as is'

Vocational Qualification heatmap		Assessment and award	Design and development	Delivery	Investment and R&D	Regulation	Policy	Funding
		Drivers	*Drivers*	*Drivers*	*Drivers*	*Drivers*	*Drivers*	*Drivers*
Awarding organisations		• E-assessment • Special arrangements & special adjustments • Late entries • Assessment & awarding procedures • Verification	• Sector Skills Councils engagement/		• E-assessment	• SSC approval		
Centres		• E-assessment • Special arrangements & special adjustments • Late entries • Assessment & awarding procedures		• E-assessment • Applied learning	• E-assessment			

Table 6: General qualifications heatmap – 'as is'

General Qualification heatmap	Assessment and award	Design and development	Delivery	Investment and R&D	Regulation	Policy	Funding
	Drivers	*Drivers*	*Drivers*	*Drivers*	*Drivers*	*Drivers*	*Drivers*
Awarding organisations	• E-assessment • Special arrangements & special adjustments • Late entries • Assessment & awarding procedures	• E-assessment and e-marking	• Exam officer turnover in centres	• Development of e-assessment and e-marking	• Code of practice		
Centres	• E-assessment • Special arrangements & special adjustments • Late entries • Assessment & awarding procedures		• Changes in A-levels from 6-4 units			• Changes in teacher workforce contracts	

Table 7: Centre heatmap – 'as is'

Centre Heatmap		Assessment and award	Design and development	Delivery	Investment and R&D	Regulation	Policy	Funding
	Functions	Assessment and award	Design and development	Delivery	Investment and R&D	Regulation	Policy	Funding
	Cost Drivers	*Determinants*	*Determinants*	*Determinants*	*Determinants*	*Determinants*	*Determinants*	*Determinants*
As – Is Cost Drivers	Changes to teacher workforce contracts	• Invigilation ▲						• Recruitment • Staff development • Retention ▲
	Changes to A levels			• Staff development • New support materials • Legacy systems • Invigilation • Follow up administration ▼				
	Applied learning			• Workshops • Specialised rooms • Industry standards				

Centre Heatmap							
Functions	Assessment and award	Design and development	Delivery	Investment and R&D	Regulation	Policy	Funding
Cost Drivers	*Determinants*	*Determinants*	*Determinants*	*Determinants*	*Determinants*	*Determinants*	*Determinants*
Increased elements of ICT in courses			• Staff development • Recruitment • Equipment • Accommodation • Quality assurance ▼▲				
Special arrangements and special adjustments	• Accommodation • Individual requirements • Added administration ▲						
Late entries	• Administration • Registration • Fee ▲						

Table 8: Awarding organisations heatmap – 'as is'

Awarding organisations Heatmap		Assessment and award	Design and development	Delivery	Investment and R&D	Regulation	Policy	Funding
Functions		Assessment and award	Design and development	Delivery	Investment and R&D	Regulation	Policy	Funding
Cost Drivers		*Determinants*	*Determinants*	*Determinants*	*Determinants*	*Determinants*	*Determinants*	*Determinants*
As – Is Cost Drivers	Development of e-assessment	• Legacy systems • IT systems • Recruitment • Staff development • Invigilation ▲	• Recruitment • Pilot testing • Risk assessment	• Staff development	• Legacy systems • Training/staff development • Recruitment • Pilot testing • Risk assessment ▲			
	Special arrangements and special adjustments	• Administration • Registration • Accommodation • Re-printing of exam papers ▲						
	Assessment and awarding procedures	• Carriage • Recruitment • Moderation • Invigilation • Question writing • Buy-in sector expertise • Tracking results ▲						

Awarding organisations Heatmap							
Functions	Assessment and award	Design and development	Delivery	Investment and R&D	Regulation	Policy	Funding
Cost Drivers	*Determinants*	*Determinants*	*Determinants*	*Determinants*	*Determinants*	*Determinants*	*Determinants*
Code of practice					• Meetings • Examiner training meetings ▲		
Late entries	• Administration • Recruitment • Invigilation • Printing of papers ▲						
Sector Skills Councils		• Meeting criteria • Gaining approval • Administration • Consultation • Buy in sector expertise			• Administration • Amendments		
Verification	• Staff development • Process design • Risk assessment • Administration • Recruitment						

Table 9: Centre heatmap – 'to-be'

	Centre Heatmap 'to-be'							
	Functions	Assessment and award	Design and development	Delivery	Investment and R&D	Regulation	Policy	Funding
	Cost Drivers	*Determinants*	*Determinants*	*Determinants*	*Determinants*	*Determinants*	*Determinants*	*Determinants*
To-be Cost Drivers	Introduction of Diplomas			• Aggregation • Training • Recruitment • Accommodation • Timetabling • Collaboration elements • Increased staff hours • Quality assurance				
	Introduction of Functional Skills			• New support materials				
	Introduction of QCF			• IT systems and interoperability • Administration • Training		• Aggregation • Compliance		
	Introduction of controlled assessment in GCSEs	• Recruitment • Staff training • Accommodation		• Teaching time • Invigilation				
	E-assessment	• IT system • Training • Facilities scheduling • Invigilation						

Table 10: Awarding organisations Heatmap – 'to-be'

Awarding organisations Heatmap 'to-be'		Assessment and award	Design and development	Delivery	Investment and R&D	Regulation	Policy	Funding
	Functions	Assessment and award	Design and development	Delivery	Investment and R&D	Regulation	Policy	Funding
	Cost Drivers	*Determinants*	*Determinants*	*Determinants*	*Determinants*	*Determinants*	*Determinants*	*Determinants*
To-be Cost Drivers	Introduction of Functional Skills		• Risk assessment • Support materials • Staff development • Recruitment • Pilot testing					
	Introduction of Diplomas		• Risk assessment • pilot testing • Accreditation • Support materials • Diploma Aggregation Service	• Inter-awarding body working • Staff development • Support materials • MIAP • Diploma Aggregation Services • Unique Learner Number	• MIAP • ULN • Learner record • IT systems • Diploma Aggregation Service • Training/staff development • Process re-design			

Awarding organisations Heatmap 'to-be'							
Functions	Assessment and award	Design and development	Delivery	Investment and R&D	Regulation	Policy	Funding
Cost Drivers	*Determinants*	*Determinants*	*Determinants*	*Determinants*	*Determinants*	*Determinants*	*Determinants*
Introduction of QCF		• Unit templates • Inter-awarding organisation working • Re-accreditation	• Staff development • Support materials • Unique Learning Number			• New IT systems • Administration • Legacy systems • Re-accreditation • Logging/cashing results • Shared units • Consultation • Process design	
Move to modular examinations (GCSE)	• Unit registration • Increased moderation • Invigilation • Verification • Recruitment • Logging and cashing						
Economic slowdown							• Risk assess. • Decline in training uptakes

Section Four – The evolving landscape

This section highlights some key changes that are taking place within the qualifications system. The potential impact they will have on the system in terms of cost drivers are mapped as potential heatspots in the 'to-be' maps in the previous section of the report.

During the course of this study new policies were at various stages of implementation. The consulted stakeholders accepted change to be a feature of the system. As such a study that focuses on a snap shot in time would become irrelevant to its users. The identification of some key changes can also help to ensure that the impacts of these changes are strategically considered on a timely basis.

The changes that have been discussed with the stakeholders were selected on the basis that they:

- would still be relevant or their impacts would still be felt in the next five to ten years

- have the potential to introduce or alter cost drivers and determinants

- have the potential to introduce additional complexity

- will have an impact on learner outcome/ benefits

- were stated by stakeholders as being important.

These areas were:

- Full implementation of the QCF

- Introduction of new qualifications, in particular 14-19 Diplomas

- Recognition of employers as awarding bodies

- Young people to remain in school, training or workplace until aged 18.

Full implementation of the Qualifications Credit Framework (QCF):

The QCF is having a particularly significant impact on awarding organisations and centres. It is a cost driver that is mapped across many of the qualification functions as can be seen in the previous sections of the report.

The new QCF will require awarding organisations to populate the framework with the units of their qualifications. This will allow learners to select units from which to build a qualification. The introduction of the QCF was viewed as potentially being a significant high cost and one which was cited as potentially remaining high over the next five years.

Stakeholders considered that the QCF will require significant activity. Some of the main activities cited included:

- population of the QCF including unitisation and re-accreditation of qualifications, which were thought to result in significant costs for the awarding organisations in terms of increased administration

- re-design of unit templates

- the inter-awarding body working that will be required once learners are able to choose units from across awarding organisations.

For centres the introduction of the QCF and the move towards more personalised learning was identified as an important cost driver in the future. Potential high cost determinants that were identified included:

- requiring the registering of learners for multiple units

- increased administration and co-ordination within centres to ensure a joined-up approach regarding the different units taken by learners.

Additional determinants included ensuring that capable and interoperable IT systems were in place and the tracking and logging of results.

Introduction of new qualifications particularly Diplomas and Functional Skills in England

The introduction of 14-19 Diplomas and the introduction of Functional Skills were both cited as potential high cost drivers.

Diplomas in England

Although the introduction of Diplomas was identified as a cost driver at the development stage it was also thought that it would be a significant cost driver in design, delivery, and in investment and research and design going forward.

Awarding organisations

The Diploma Aggregation Service (DAS) was given particular mention as a potential high cost driver. Determinants that were identified included significant staff development requirements, printing of support materials and the modification or implementation of capable information technology systems required to interact with DAS. These were all viewed by organisations as potential high cost areas.

Uncertainty about costs has been compounded because the uptake volumes of the Diploma are as yet uncertain. Some awarding organisations also stated a concern about investing in Diplomas only for them to be revoked at a later stage.

Costs that were identified were not confined to start up or roll out costs, as it was envisaged that Diplomas would also be high cost when they are fully operational.

Centres

A number of centres stated that they anticipated that the delivery of the Diploma qualification will be a high cost area but this is outside of the remit of this report. It was also thought that within assessment and award there will be the further high cost of the implementation of information technology systems for the aggregation and tracking of results and units of the Diploma.

Functional Skills in England

Functional Skills were identified as having similar drivers and determinants to the Diploma. It was highlighted by some stakeholders that there had been significant focus on the Diploma, but that the real impact of Functional Skills may not have been fully considered. Functional Skills was considered a high cost driver across many of the function areas including development, delivery and assessment and award of a qualification.

It was considered that the costs associated with Functional Skills are set to increase over time particularly for SSCs and awarding organisations. This is because of the three different frameworks in place across the three countries. England is switching from Key Skills to Functional Skills; Wales will continue to use Key Skills, and Northern Ireland uses Essential Skills and Key Skills for composite qualifications such as Apprenticeships.

Recognition of employers as awarding organisations

We identified mixed views from the stakeholders consulted, about the policy change that has opened the doors to a wider range of organisations, including employers, becoming awarding organisations. The change was welcomed by most stakeholders as it was believed that competition often results in reduced costs and improved benefits to the learner. For existing awarding organisations the policy change could potentially provide opportunities to work closer with employers as employers may not have the expertise in qualification development.

There were concerns expressed in ensuring that no unnecessary additional duplications result as a consequence of the policy change especially as vocational qualifications have recently been rationalised.

An observation as a result of the policy change was that there might be an increased burden placed on the regulators.

Few potential high cost drivers were identified by consultees in our study in relation to recognition of employers as awarding organisations.

Young people to remain in school, training or workplace until aged 18

This policy change[14] was mostly mentioned by centres. It was considered that this could mean learners will stay on longer and get the right qualifications whilst having an opportunity to plan for their future. However, this could also mean an increase in the number of different and disaffected students who are not engaged in the learning process, and as such exclusion figures could rise. Both of these scenarios are likely to drive costs but were not identified as comparatively high cost drivers for the future.

Summary

This section has highlighted the evolving landscape of the qualifications system in four areas. A particular point with regard to these changes and the ones highlighted in previous sections are the cumulative effect of changes taking place along side one other.

To add to this diverging approaches in the future (such as awarding organisation approaches, geographical location approaches, SSC approaches, regulator approaches) and uncertainty need to be considered in understanding the impact of new policies and should be considered as a part of the wider efficiency study.

Finally, a particular "what if?" that might be worth considering is the impact that a new Government might have on the system. This was mentioned to us as a potential change that is making some of the stakeholders in the system slightly nervous in considering whether work that has been done to date may be halted or undone.

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[14] This policy change is not planned for Northern Ireland and Wales.

Further areas for consideration

In the following section of our report we have drawn together a number of considerations that we have identified through the course of the mapping study and a number of questions that may be of interest to consider in the future. These areas are mainly outside of the remit of Ofqual, DCELLS and CCEA, but as they have arisen during the course of our work we have captured them here and we would hope that they would prove useful in future discussions about the qualifications system between stakeholders.

- System driven costs

- Policy driven costs

- Market and qualification driven costs

- Organisational costs.

System driven costs

There are three main questions that we consider would be valuable to explore in more detail in relation to the system driven cost:

- Exchange of information in the system - could more be done on the Government's principle of 'collect once, use many times, used by all'? This principle is now very much at the heart of the Managing Information Across Partnerships (MIAP) work. Could greater collaboration in data sharing applied to the qualifications market reduce identified high cost areas in the system in terms of, for example, improved communication, clarification of purpose, and use of data to inform qualification needs and demand? Of course the costs as well as the benefits of any such change would need to be fully understood.

The exchange of information across the system was cited as a cost driver by many stakeholders. For example, centres stated this as an area of high cost when dealing with more than one awarding organisation. The centres reported having to spend time inputting information for candidates for awarding organisations. This cost was reported as having increased in the past 5-10 years and is likely to continue to do so with the increase in composite qualifications.

It is anticipated that the introduction of MIAP will go some way to alleviating this problem; however more analysis is required to ensure that this is applied across the system to help reduce the high cost of time and administration on centres.

- Layers of decision makers and agencies – could more be done to reduce cost by streamlining and clarifying roles and processes in the system?

As mentioned in the previous section stakeholders from across the system cited the complexity of the system as a high cost driver. This is likely to continue in the system because of the evolving remit of stakeholders and the organisations involved.

The maps provide a good basis for clarification and communication of the roles and processes existing within the qualifications structure. This could take into account potential remit duplications between the organisations and may then identify where cost and efficiency savings could be found. There could be long term potential to streamline the system ensuring that each organisation is playing a well understood, viable and valuable role in the regulated qualifications system, reducing duplication between roles of organisations within the system.

The complexity of the system has led to increased demands on organisations to engage with each other throughout the system which would appear to have driven up costs and was cited in our research as "a huge drain on time". The need for engagement has been increased as the complexity of the system has increased. This has been exacerbated by divergence of policy between England, Wales and Northern Ireland.

The role of the Sector Skills Councils in the qualifications system is viewed by many as an additional layer of complexity within the structure; however stakeholders did value the principal behind their introduction and could see potential in their role. For awarding organisations in particular the level of engagement required with SSCs was frequently identified. Working practices amongst the SSCs could seek to establish a more cohesive approach for awarding organisations, in particular surrounding the approval of qualifications and new criteria for QCF unit development.

- Regulation – is there duplication of effort and consultation relating to regulation and approval costs in the system? Specifically, is the duplication for awarding organisations who are subject to more than one regulator significant and can this be addressed?

There is the perception among awarding organisations that there is a duplication of effort regarding regulatory requests within the qualifications system. As discussed many organisations have more than one regulatory body requirement to meet and as such find they are duplicating information across the bodies.

Policy driven costs

Although there are many specific policy areas, an overriding area of concern was expressed about the level and pace of policy change. All parts of the system accept that change is a part of their existence; however, questions have been raised about the cohesiveness, fast pace and cost of change.

- Change – is analysis undertaken of the likely cost (both financial and non-financial) of change before changes are introduced, for example at policy development stage (e.g. through impact assessments)? Is there sufficient consideration of these costs against the benefits, as well as discussion about how to minimise them?

The qualifications system has undergone significant change in the last 5-10 years and organisations across the sector recognised the high cost of frequent change.

Awarding organisations, in particular felt that government consultation did not take enough account of the expertise in qualification development that existed within the system. Furthermore wider stakeholder groups mentioned there was a need for policy makers to complete a comprehensive cost analysis of the changes prior to their implementation and to communicate the cost impact that change may have on centres and awarding organisations.

There may be a need to examine the process policy makers go through prior to policy changes to ensure that there is adequate understanding and consideration of the effects and the cost of change for awarding organisations, centres and regulators.

Market and qualification driven costs

There are a number of markets operating within the overarching system. The three points below relate to this and what we consider from our analysis may be high cost drivers:

- In a market place where the purchaser is not often the benefactor can there be greater transparency relating to cost benefit information to inform decision making?

We have explored the complexities of the regulated qualifications system and mapped these out in relation to funding and information and directions of influence. From this mapping and from our consultation and research we consider that additional, clear and comparable information is required in the market place so that the purchasing decision maker has a far improved understanding of the implications of purchasing decisions and the benefits associated with those decisions.

- Fees - can information be provided to show how awarding organisations' fees reflect the services provided to assist in decision making processes in the market place by the centres?

As with the previous point, more use could be made of improved management information and performance information to drive decision making processes within centres towards more efficient outcomes.

- When qualifications, in particular new ones such as Diplomas, are being delivered in the system – can the main costs of implementation be better understood and therefore minimised, and costs monitored and kept under control from the outset rather than at the point of evaluation?

The introduction of Diplomas was viewed as an example of a policy change that was not believed to have been costed to take into consideration the effects on organisations within the qualifications system. The delivery and design of the Diploma qualification is a potential high cost driver for both centres and awarding organisations and it may be that efficiencies can be identified here before those costs are incurred.

For centres the Diploma will require increased collaboration with other learning providers, and interoperable IT systems to support diploma delivery. While the inevitably high set up costs would decrease it was not thought this decrease would be significant, and it was anticipated that the ongoing costs of collaboration would prove to be high for centres.

There exists a need therefore to understand more comprehensively the impact of the introduction of the Diploma for learning providers and the cost implications of aspects such as collaboration. These costs were viewed as likely to increase when uptake of the Diploma increased.

A comprehensive analysis of the costs involved in the delivery of the Diploma on both the demand and supply side of the system, to identify areas where cost savings and efficiencies could be found for organisations may therefore prove useful for the system. It will also be important as the costs may not be as high as anticipated and in this knowledge stakeholders are likely to be more open to change.

Organisational driven costs

The remit of this study did not include process mapping or collection of internal organisation costs. Drivers were often identified as those incurred due to inter-relationships within the system. However, from our analysis it does seem that some internal costs are being incurred which are potentially higher than necessary.

- Some centres' internal decision making processes may be leading to higher costs related to qualification fees than necessary, an example may be an area such as late entries– can externally benchmarked management information about the costs incurred relating to qualifications assist centres to save costs internally? Can focussed stakeholder collaboration help reach consensus on how the volume of late entries can be reduced?

The area of late entries itself is multifaceted, and it is important to note that in the future the general qualifications system may be moving towards accommodating 'test when ready' assessment, when the concept of a late entry might not be applicable.

Late entries have experienced a continued rise in the past 5-10 years and as this looks set to continue with little resistance, there is a pressing need to explore the systems and processes in place at a centre level to gain a greater understanding of how the cost of late entries can be reduced and how inefficiencies can be removed.

The wider study could consider broader changes to help reduce late entries. Furthermore wider system trends should be considered in the light of late entries to consider if these are simply a consequence of an increase in take up of qualifications in the system.

Investigation should give particular focus to those centres that have managed to reduce late entries and explore their procedures and whether there are potential centre level lessons to be learnt for the wider system.

The following three areas are within the control of an organisation, but could benefit from closer review to understand where synergies, sharing of best practice or other alternatives may result in improved efficiencies. It would also be useful to fully understand the magnitude of these cost areas and therefore the potential for savings.

- E-assessment

- Special arrangements and special adjustments

- Assessment and awarding procedures.

E-assessment

The move towards e-assessment has important implications for both centres and awarding organisations and was viewed as a high cost driver by both. In part this is caused by a requirement to maintain a paper based system alongside the investment in e-assessment. Investment in e-assessment has been increasing and this is set to continue as the cost benefits particularly to awarding organisations of this facility are realised.

For centres, the costs of implementing an e-assessment system include staff recruitment, training and development, as well as IT systems and ensuring availability of the right physical environment.

For awarding organisations the e-assessment capability is a particular cost area in relation to the implementation of capable IT systems. In addition the 'test on demand' facility that potentially accompanies the e-assessment option may put considerable cost strains on awarding organisations in terms of question writing, maintaining a question bank and alignment of necessary security procedures.

A cost analysis could be completed on e-assessment provision to establish the cost implications for centres and awarding organisations, in particular smaller awarding organisations who may not have the capability to develop their own system. Further examination of e-assessment could take into consideration the next wave of qualifications likely to move to e-assessment and also examine those areas for which e-assessment is not a viable option, giving a fuller picture of likely long-term costs incurred by centres and awarding organisations of running an e-assessment and paper based system.

The cost of e-assessment was identified as increasing because of the heavy people resource that would be required to ensure this was implemented properly. Centres and learners no longer tolerate ICT failure and there is a need to ensure that systems work. In order to achieve this there are added recruitment and training costs.

A cost analysis would take into consideration the required renewal of IT systems to support e-assessment and potential time frames for this, for both centres and awarding organisations. Best practice and cost benefits could be taken from a study of this sort to drive efficiencies as could identification for areas of collaboration.

Special arrangements and special adjustments

Costs associated with special arrangements and special adjustments were reported to have increased significantly in the past 5-10 years and all stakeholders, at awarding and centre level, felt this increase would continue to rise.

It is important therefore that further consideration is given to the costs of this.

Assessment and awarding procedures

As previously discussed, costs associated with assessment and award have increased in part because of changes to the system, including more modular examinations and a general rise in the number of qualifications. Assessment and awarding procedures could be examined from a supply and demand side perspective to understand where efficiencies can be found in this area across the system.

We would suggest therefore further exploration of this area to understand where efficiencies can be found in the volume of activities that surround this function. For the supply side these activities should be examined in the light of the introduction of the QCF and the impact of the potential re-design of unit templates and certification. From the demand side they should be considered in the light of GCSE moves to a more modular format and the subsequent increase in examinations and the impacts on staff, administration and accommodation requirements in centres.

Section Six – Conclusion and Next Steps

The final section of the report provides our overall conclusions and recommendations for the next steps for the efficiency study.

Overall conclusion

It has not been within the remit of this study to give recommendations about the focus of the efficiency study going forward. This will require further consideration and informed discussion about our findings and it would require the completion of the two steps outlined in our recommended next steps approach below.

Through our consultations, stakeholders have identified areas that they view as comparably high cost and these are detailed in the cost driver and activity maps. These will require further testing with cost data to understand the magnitude of expenditure or cost, and therefore the potential for savings.

There is an overarching acceptance by all of the stakeholders involved in this study that there is a requirement to improve the operation of the qualifications system and that it is likely that efficiencies can be found.

The cost drivers and determinants now need to be explored in terms of monetary and non-monetary values. When the cost drivers identified in this report are better understood in relation to magnitude it will then be important to understand how some of these drivers can be reduced either through behaviour, funding, regulatory or policy alterations so that efficiencies can be realised in the qualifications system. Understanding the interfaces and influences detailed in this report will be critical in informing the extent to which any levers for change will be successful.

Recommendations for the next phases of the high level efficiency study

We have provided below our recommendations for the next phases of the study:

1   Against the cost drivers and determinants in the high level mapping model identify what up to date monetary and non monetary information is readily available and what would need primary research

2   Taking into consideration the magnitude of the current cost or expenditure and the potential for efficiencies collect and/or assimilate cost information relating to the drivers and determinants.

The high level mapping exercise has helped to bring clarity and an understanding of the regulated qualifications system and has identified potential areas for further exploration using cost driver and activity information to inform this.

Appendix A – Example interview guide

	Topic	Timing
1	**Introduction to the meeting** • Introductions • Confidentiality guarantees – market research code of conduct, evidence base requirements • Check if there are any questions about the scope and rationale of the project • Explain the model and its aim	5 minutes
2	**System maps** We have included here a draft version of the regulated qualifications system in England, Wales and Northern Ireland which attempts to represent all relevant entities and the funding and information flows between them. This is Appendix A. We have included two maps of each of the funding and information flow maps, for each topic one shows the complete system and one shows only the flows relating to centres. We have also included a materials flow map for the whole system. We would appreciate your feedback on the accuracy of these maps and we would like to better understand your view of ALP's functions, flows and representation within the system. Particular questions are: **2a** Which of these stakeholders are your members involved with in relation to regulated qualifications? **2b** Have we missed out any flows or entities that are key or impact the work of your members? **2c** What other types of relationship do you have with the other entities in terms of money flows, information flows and material flows? **2d** Do you consider that there are any particular heat spots that create high costs to your members as a consequence of the structure of the regulated qualifications system? **2e** If you could make one significant change to the structure of or interactions within the qualifications system to improve overall efficiency what would it be? **2f** If you could make one marginal change to the structure of or the interactions within the qualifications system to improve efficiencies for your members what would it be?	15 minutes
3	**Map model** We have pre-populated our model with all qualification types and we understand from our background research that ALP members offer the qualification types that are listed in Appendix B. We have approached the mapping of cost drivers and determinants in relation to qualification types because that goes to the heart of what the system is here to do. We want to understand from you the main drivers and determinants associated with the qualification types that your members deliver and how this alters depending on the characteristics within the qualification type and between qualification type and depending on the demands placed on you from other parts of the qualifications system. We recognise that your members offer an incredibly high number of different qualifications and it would not be productive or time efficient to work through each one which is why we started with general questions from which we can drill down into specifics.	1 hour 15 minutes

	Topic	Timing
	We have provided a draft of our background research to give you a starting point on the drivers and determinants that you might recognise as relevant to those you represent. We have only been able to populate this where evidenced information has been available.	
	Within the interview time we would like to ask you the following questions:	
	3a What are the cost drivers and determinants that occur for those centres you represent and which qualification types do these relate to?	
	3b What differing cost drivers and determinants are there as a consequence of different qualification characteristics and which qualification types do they relate to?	
	3c Which different qualification types exhibit unique cost drivers and determinants particular only to that qualification type – and what are the drivers and determinants?	
	3d Over the last 5 to 10 years have your members experienced any major shifts in the comparative associated costs of awarding regulated qualifications (up or down or fluctuating) and which drivers and determinants do these costs relate to?	
	3e Which of the drivers or determinants that we have discussed have the greatest comparative cost - in particular in relation to the level of outputs?	
	3f Overall would you say that these areas are high cost without efficient outcomes or do you consider that the cost is justified by the outcomes of this expenditure?	
	3g What demands are placed on centres from within the system that have led to high costs and have we captured the associated cost determinants associated with these in our discussions?	
4	**Future**	20 mins
	There are a number of significant policy changes in the pipeline that will have an effect on the regulated qualifications system. These include, but are not restricted to:	
	• Full implementation of the QCF.	
	• Introduction of diplomas.	
	• Recognition of employers as awarding bodies.	
	• Young people to remain in school, training or workplace until aged 18.	
	4a How do you consider these policy changes will impact on the drivers and determinants that you have identified in our discussions, will there be new drivers and determinants for centres to consider?	
	4b What other policy changes that are coming on line are there, that you think will have a major impact on the regulated qualifications system and how do you consider these policy changes will impact on the drivers and determinants that you have identified in our discussions, will there be new drivers and determinants ?	
5	**Additional**	5 mins
	5a Is there anything else you would like to add or want us to capture, which is either specific or a more general comment?	

Appendix B – Regulated qualifications

Qualification [i]	Purpose [ii]	National qualifications framework level	Levels	Who it is targeted at?
ACETS [iii]	To enable learners to get the knowledge, understanding and skills needed to hit the ground running in the world of work	Level 1 to Level 4	Level 1 to Level 4	16+ year olds
AEA: Advanced Extension Award	To challenge the top 10 per cent of candidates nationally in each subject To ensure that the most able candidates are tested against standards comparable with the most demanding to be found in other countries To be accessible to all able candidates, whatever the specification they are studying To help differentiate between the most able candidates, particularly in subjects with a high proportion of A grades at advanced GCE. (Source: QCA)	Level 3	Level 3 only	18 year olds
BS: Basic Skills	To address levels of literacy and numeracy among the adult population.	Entry Level	Entry Level to Level 2	Adult
BTEC	To help learners prepare for employment as well as progress to Further and Higher Education	Level 1 to Level 7	Introductory, Firsts, Nationals, Professional & Advanced	Firsts (14-16) Nationals (16+)
DIP - Diploma	A new qualification that will bring an innovative approach to learning. To enable students to gain knowledge, understanding and hands-on experience of sectors that they are interested in, while putting new skills into practice	Level 1 to Level 3	Level 1 to Level 3	14-19 year olds

Qualification [i]	Purpose [ii]	National qualifications framework level	Levels	Who it is targeted at?
EL - Entry Level	A first level in the national qualifications framework, designed for a wide range of candidates and sitting below foundation or level 1, pitched below grade G of a GCSE, NVQ level 1 or vocational qualifications at level 1. To allow small steps of achievement to be recognised, and help candidates progress to related level 1 qualification.	Entry Level	Entry 1 to Entry 3	14-16 year olds not yet working at GCSE level learners of any age with weakness in a given area adults with little formal education
Essential Skills	To provide relevant and interesting essential skills to adults are anxious about returning to education by rewarding and motivating the learners and improve their opportunities.	Entry to Level 2	Entry to Level 2	Adult learners
ESOL - English for Speakers of Other Languages	To meet the needs of the broad range of learners who want to live and work in this country and if, appropriate, intend to become citizens of the UK (Skills for life) To meet the immediate English language acquisition needs of learners who are in employment, or intending to work in this country, but who do not necessarily intend to become citizens of the UK (for work) To meet the needs of English language learners based outside the UK (international)	Entry Level to Level 7	Entry to Level 7	Speakers of other languages – all ages
FS - Functional Skills	To allow individuals to work confidently, effectively and independently through practical learning	Entry Level to Level 2	Entry to Level 2	All learners
FSMQ - Free Standing Mathematics Qualification	To provide qualifications to students less likely to achieve a grade C in GCSE mathematics, while enabling them to progress towards that at a later stage		Level 1 to Level 3	14-19 year olds
GCE - GCE A Level GCE - GCE A Level	To enable progression from either GCSE or equivalent although not necessary to take same subject at GCSE or equivalent to be able to take the A level course To provide route to higher employment and/or higher education	Level 3	Level 3 only	14 -19 year olds

Qualification [i]	Purpose [ii]	National qualifications framework level	Levels	Who it is targeted at?
GCE AS - GCE AS Level	Half an A level and covers the less demanding material in an A level course		Level 3 only	14-19 year olds
GCSE: General Certificate of Secondary Education	To form a new single system of examining post 16 based on general and subject-specific criteria. To provide an entry level basis for further studies	Level 2 (Grades A-C) Level 1 (Grades D-G)	Level 1 to Level 2	Pre 16 year old 14 to 19 year old
GOML	To provide learners with short-term language-learning goals and certified recognition of achievement in a range of increasingly demanding levels.	Entry to Level 2		All
HL: Higher Level	To enable progression to educational courses and/or further qualifications To provide employment opportunities to contribute to registration and/or membership requirements	Level 1 to Level 7	Level 4 to Level 7	16 – 19+ year old
KS: Key Skills KS: Key Skills	To give learner confidence in own abilities To boost learner CV by showing employers what learner can do To help learner move on to other qualifications such as an HND or degree To show what learner has achieved in their learning programme	Level 1 to Level 4	Level 1 to Level 4	All
NVQ: National Vocational Qualification	To learn practical, work-related tasks designed to help you develop the skills and knowledge to do a job effectively To understand what level of competence based on national standards a person in a job could be expected to do and know what to do to meet them	Level 1 to Level 5	Level 1 to Level 5	16 to 19 + year old
OG: Other General qualification	To recognise achievement in a specific subject/ skills area both recreational and or vocational To enable progression up the ladder to a higher level of proficiency or as part of lifelong learning	Level 1 to Level 3	Level 1 to Level 3	Pre16 to 18+
OQ: Occupational Qualification	Designed to meet national occupational standards	Level 1 to Level 4	Level 1 to Level 4	18+ year old

Qualification [i]	Purpose [ii]	National qualifications framework level	Levels	Who it is targeted at?
PL: Principal Learning	To provide a key constituent qualification for learners intending to get a Diploma To cover the essential curriculum relating to the sector title	Level 1 to Level 3	Level 1 to Level 3	16 to 18 year old
PROJ: Project	To enable learner to develop a high degree of planning, preparation, research and autonomous working	Level 1 to Level 3	Level 1 to Level 3	Pre 16 to 19+ year old
QCF: QCF qualification	To make both the system and the qualifications offered far more relevant to the needs of employers and more flexible and accessible for learners	Entry to Level 8	Entry to Level 8	Pre 16 to 19 + year old
VRQ: Vocationally Related Qualification	To provide the learner with a recognised qualification through the teaching, practising and assessment of the functions of managing activities, people, resources, information, energy and quality	Level 1 to Level 3	Level 1 to Level 3	Pre 16 to 19+ year
Welsh Baccalaureate Qualification	Combines personal development skills with existing qualifications like A levels, NVQs and GCSEs to make one wider award. **Core** - consists of four components i.e. Key Skills, Wales, Europe and the World, Work-related Education and Personal and Social Education. **Options** - courses/programmes currently offered e.g. GCSE, VGCSE, AS/A levels, VCE (Vocational A levels), NVQ, BTEC.	Level 1 to Level 3	Level 1 to Level 3	Pre 16, 16-18, 18+, 19+ (Wales only)

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[i] The National Database of Accredited Qualifications (NDAQ) contains details of qualifications that are accredited by the regulators of external qualifications in England (Ofqual), Wales (DCELLS) and Northern Ireland (CCEA).

[ii] Source: QCA, Direct.gov.uk

[iii] CCEA website – ACETS, BTEC, Essential Skills & GOML

Appendix C – Stakeholders in the system

Glossary

Abbreviation	Stakeholders	*Stakeholder type	*Scope	Mission / purpose
ADCS	Association of Directors of Children's Services	Representative body	England	To provide a national leadership organisation in England for directors of children's services appointed under the provisions of the Children Act 2004. To provide a national voice as a champion for children with local and central government and with the public. To promote research, development, innovation and learning across children's services.
ALP	Association of Learning Providers	Representative body	England, Wales and Northern Ireland	The purpose of the Association of Learning Providers is to influence the education and training agenda to secure: • A national skills strategy that meets the needs of employers and learners • A 14-19 learning curriculum where academic and vocational options are equally valued • Opportunities for learning throughout life to give everyone a chance to succeed • A government-supported learning market open to all providers offering high quality learning
ANIC	Association of Northern Ireland Colleges	Representative body	Northern Ireland	To represent the newly independent 16 Colleges of Further and Higher Education and to be the voice of Further Education in Northern Ireland.
AoC	Association of Colleges	Representative body	England and Wales	To be the single voice to promote the interests of further education colleges in England and Wales
ASCL	Association of School and College Leaders	Representative body	England, Wales and Northern Ireland	To speak exclusively for secondary school and college leaders
Becta	British Educational Communication and Technology Agency	Other	England, Wales and Northern Ireland	To support all UK education departments in their strategic ICT developments.

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BERR	UK Department for Business, Enterprise and Regulatory Reform	Policy maker	England	Government department set up to create the conditions for business success and help the UK respond to the challenge of competition.
Business Link	Business Link	Other	England, Wales and Northern Ireland	Provides information, advice and support needed to start, maintain and grow a business and comply with regulations.
CBI	Confederation of British Industry	Representative body	England, Wales and Northern Ireland	Create and sustain the conditions in which businesses in the United Kingdom can compete and prosper for the benefit of all.
CCEA	Council for the Curriculum Examinations & Assessment	Awarding body, Regulator	Northern Ireland	To bring together the three areas of curriculum, examinations and assessment, to advise government on what should be taught, to ensure that qualifications and examinations offered by awarding bodies in Northern Ireland are of appropriate standard and quality, and to offer a diverse range a qualifications.
CIEA	Chartered Institute of Educational Assessors	Representative body	England, Wales and Northern Ireland	To improve the quality of assessment in schools and colleges by working with educational assessors to develop their knowledge, understanding and capability in all aspects of educational testing and assessment.
Connexions	Connexions	Other	England	Offers information and advice for 13-19 year olds on decisions and choices they need to make.
CoVEs	Centres of Vocational Excellence	Centre/ Learning provider	England	Set up by the LSC to improve radically the capacity of the FE sector to deliver specialist work-based learning.
DAS	Diploma Aggregation Service (Minerva)	Programme	England	A QCA led project (Minerva) that aims to deliver a diploma aggregation service - that is a managed IT system to support the awarding of the Diploma qualification. The system will be used by centres and awarding bodies involved in Diplomas.
DCELLS	Department for Children, Education, Lifelong Learning and Skills – a part of the Welsh Assembly Government	Policy maker, Funding agency, Regulator	Wales	To improve children's services, education and training provision to secure better outcomes for learners, business, and employers as set out in our strategic document, 'The Learning Country'. It helps empower children, young people and adults through education and training to enjoy a better quality of life.
DCSF	Department for Children, Schools and Families	Policy maker	England	To make England the best place in the world for children and young people to grow up by making children and young people happy and healthy, keeping them safe and sound and giving them a top class education and helping them stay on track.

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DELNI	Department for Employment and Learning Northern Ireland	Policy maker	Northern Ireland	A government department set up to promote learning and skills and to prepare people for work and to support the economy
DENI	Department of Education Northern Ireland	Policy maker	Northern Ireland	To promote the education of the people of Northern Ireland and to ensure the effective implementation of education policy by advising ministers on the determination of education policy; framing legislation; accounting for the effectiveness of the education system; allocating, monitoring and accounting for resources through the Education and Training Inspectorate; evaluating and reporting on the quality of teaching and learning and teacher education. To ensure that children, through participation at schools, reach the highest possible standards of educational achievement. In pre-school settings, schools and through the Youth Service. To promote personal well-being and social development children so that they gain the knowledge, skills and experience to reach their full potential as valued individuals.
Directgov	Directgov	Other	England, Wales and Northern Ireland	Official government website for easy access to the public services and the information delivered by the UK government
DIUS	Department for Innovation, Universities and Skills	Policy maker	England	Brings together functions from the former Department of Trade and Industry, including responsibilities for science and innovation, with further and higher education and skills, previously part of the Department for Education and Skills
DWP	Department for Work and Pensions	Policy maker	England, Wales and Northern Ireland	To promote opportunity and independence for all; to help individuals achieve their potential through employment and to work to end poverty in all its forms.
EOA	Examination Officers Association	Representative body	England, Wales and Northern Ireland	A professional body for examination officers.
Estyn	The office of Her Majesty's Inspectorate for Education and Training	Advisory body	Wales	To raise standards and quality of education and training in Wales through inspection and advice, in support of the vision and strategic direction set out by the Welsh Assembly Government.
FAB	Federation of Awarding Bodies	Representative body	England, Wales and Northern Ireland	A trade and professional body for awarding bodies in the UK.

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GEAF	Graded Examinations Accreditation Forum	TBA	TBA	TBA
HEFCE	Higher Education Funding Council for England	Funding agency	England	To promote high quality education and research, within a financially healthy sector by distributing public money for teaching and research to universities and colleges whilst ensuring accountability and promoting good practice.
HEFCW	Higher Education Funding Council for Wales	Funding agency	Wales	To promote high quality education and research, within a financially healthy sector by distributing public money for teaching and research to universities and colleges whilst ensuring accountability and promoting good practice.
HMT	Her Majesty's Treasury	Policy maker	England, Wales and Northern Ireland	To formulate and implement the Government's financial and economic policy. To raise the rate of sustainable growth, and achieve rising prosperity and a better quality of life with economic and employment opportunities for all.
IAGs	Information, Advice and Guidance Organisations	Other	England	To provide young people with access to information and guidance on all matters relative to their career and training.
JACQA	Joint Advisory Committee for Qualifications Approval	Committee	England	A committee that comprises of nominated representatives from higher education, businesses and other bodies across all parts of the education sector. It is set up to advise the secretary of state on which 14-19 qualifications should be eligible for public funding.
JCQ	Joint Council for Qualifications	Representative body	England, Wales and Northern Ireland	To act as the single voice that unifies the UK's largest awarding bodies so that they can work together to create common standards, regulations and guidance; regulate themselves against those agreed standards as well as monitor any exceptions. To provide a forum for members to discuss issues, with each other and partner organisations and the regulators; ensure examinations are sat under consistent regulations and ensure that learners of all ages and levels of ability have access to qualifications that enable life-long learning to take place
Job Centre Plus	Job Centre Plus	Other	England, Wales and Northern Ireland	An agency, part of DWP, set up to support people of working age from welfare into work, and helping employers to fill their vacancies by providing help and advice on jobs and training for people who can work and financial help for those who cannot.

Abbreviation	Stakeholders	*Stakeholder type	*Scope	Mission / purpose
LAs	Local Authorities	Policy maker	England and Wales	Local councils - They have Director of Children's Services that is responsible for education within that council's jurisdiction. To organise funding for the schools, allocate the number of places available at each school and employ all teachers (except for foundation and voluntary aided schools, which, while still funded through the local authority, employ their own staff). To fund students in higher education based on assessment of individual circumstances offering grants or access to student loans through the Student Loans Company
LSC	Learning and Skills Council	Regulator	England, Wales and Northern Ireland	To improve the further education and training sector to raise standards and to make learning provision more responsive to the needs of individuals and employers.
LSDA	Learning Skills Development Agency (NI)		Northern Ireland	The Northern Ireland part of the Learning and Skills Network (LSN), which is an organisation committed to making a difference to education and training.
LSN	Learning and Skills Network	Other	England, Wales and Northern Ireland	To deliver quality improvement and staff development programmes that support specific government initiatives, through research, training and consultancy; and by supplying services directly to schools, colleges and training organisations
MIAP	Managing Information Across Partners	Other	England, Wales and Northern Ireland	A programme set up by government to streamline how information on learners and learning is shared across the education sector so that excellent services are made available to individuals, employers and communities.
NAA	National Assessment Agency	Regulator	England	Set up by Government to safeguard and modernise the delivery of exams, tests and assessment
NAHT	National Association of Head Teachers	Representative body	England, Wales and Northern Ireland	To provide an effective voice in educational policy making across all phases; to support and stimulate association through a broad range of regional activities, national conferences and local branch networks; to provide an extensive range of training and development programmes including induction for performance management and new school leaders.
NHS	National Health Service	End User	England, Wales and Northern Ireland	Set up to provide healthcare for all citizens based on their needs.
NIACE	National Institute of Adult Continuing Education	Representative body	England and Wales	To promote the study and general advancement of adult continuing education

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NSA	National Skills Academies	Centre/ Learning provider	England, Wales and Northern Ireland	To provide employers with a much stronger voice shaping the supply of the supply of vocational education and training at every level, nationally, regionally and locally and in each sector where there is demand. To help transform the quality and status of vocational education and training by developing a 'national reach' enabling them to play a role in raising standards across the system by fostering innovation, spreading good practice, shaping the curriculum, and improving the professional development of teachers, lecturers and trainers
Ofsted	Office for Standards In Education	Regulator	England	Set up by Government to inspect and regulate to achieve excellence in the care of children and young people, and in education and skills for learners of all ages
Ofqual	Office of the Qualifications and Examinations Regulator	Regulator	England	The new regulator of examinations and qualifications in England set up by Government to ensure that standards are maintained, qualifications count now and in the future and meet employer and learners need as well as ensure learners get the results they deserve
QCA	Qualifications and Curriculum Authority	Regulator	England	To build a world-class education and training framework and regulate, develop and modernise the curriculum, assessments, examinations and qualifications.
QCDA	Qualifications and Curriculum Development Agency	Non-departmental public body	England	QCA's role will transform into QCDA an agency for developing curriculum, assessment and qualifications.
QIA	Quality Improvement Agency	Regulator		Set up by government to improve quality throughout the sector
RDAs	Regional Development Agencies	Funding agency	England	Set up by government to promote sustainable economic development in England
Schools HoD, EO, SMT	Head of Department Exams Officer Senior Management Team	Centre	England, Wales and Northern Ireland	Different stakeholder groups within schools that have different flows and so have been separated out.
SFA	Skills Funding Agency	Funding agency	England	One of two new organisations that are being set up to replace the LSC that is being abolished in 2010. The Skills Funding Agency will become responsible for funding adult learning

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SfBN	Skills for Business Networks	Representative body	England, Wales and Northern Ireland	To establish a strategic forum across the SfBN consisting of key individuals from appropriate SSCs to coordinate and promote activity in skills competitions; to act as a conduit for sharing good practice and information between UK Skills and the SfBN; to raise the profile of skills competitions within SSCs and the employers within their footprint; to encourage each appropriate SSC to develop a strategic programme of activity for skills competitions for their respective sectors; to encourage SSCs to work with employers to increase the number of skills competitions held within their sector - (SfBN is the term used to describe all the 25 SSCs working together collectively).
SRIG	Further Education Self Regulation Implementation Group	Representative body		A broad coalition of key stakeholders from the further education sector formed to advise on the development of the proposition, delivered to ministers in spring 2007, of having a system of self regulation for further education.
SSBs	Standard Setting Bodies	Representative body	England, Wales and Northern Ireland	To represent industry sectors on matters such as training, skills, and business development, and to develop industry specific National Occupational Standards (NOS) which form the basis of vocational qualifications. Although similar to SSCs they do not approve qualifications nor are they funded by UKCES as they tend to represent cross-sector skills.
SSC Alliance	Alliance of Sector Skills Councils	Representative body	England, Wales and Northern Ireland	To act as the collective voice of the Sector Skills Councils; to promote understanding of the role of SSCs within the skills system across England, Scotland, Wales and Northern Ireland; to co-ordinate policy positions and strategic work on skills with stakeholders across the four home nations; to help build the performance capability of the Sector Skills Councils, to ensure they continue to work effectively on the employer-driven skills agenda
SSCs	Sector Skills Councils	Representative body	England, Wales and Northern Ireland	The 25 SSCs that cover 85% of the UK workforce. They represent the voice of employers within their sector and approve qualifications based on fulfilling skills gaps for that sector.
TIA	The Information Authority	Regulator	England	Sets and regulates data and collection standards for all organisations involved in further education and training in England.

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TUC	Trade Union Congress	Representative body	England, Wales and Northern Ireland	Campaigns for a fair deal at work and social justice
UCAS	Universities and Colleges Admissions Service	Other	England, Wales and Northern Ireland	Act as a UK central organisation through which applications are processed for entry to higher education, providing information and services to students, parents, schools, colleges, careers services, professional bodies and employers
Ufi	University for industry			To enable adults without a level two or Skills for Life qualification to gain the skills and qualifications they need to find a job or to achieve and progress at work;
UK NARIC	National Recognition Information Centre for the United Kingdom	Advisory body	England, Wales and Northern Ireland	Responsible for providing information, advice and expert opinion on vocational, academic and professional skills and qualifications from countries worldwide.
UKCES	UK Commission for Employment and Skills		England, Wales and Northern Ireland	Set up by Government to raise UK prosperity and opportunity by improving employment and skills to benefit employers, individuals and government by advising how improved employment and skills systems can help the UK become a world-class leader in productivity, in employment and in having a fair and inclusive society. To be the voice of employers in the education sector.
UKRLP	UK Register of Learning Providers	Information	England, Wales and Northern Ireland	Set up to link information sources on education and training organisations in England, Northern Ireland, Scotland and Wales
Union Learn		Representative body	England	To help unions become learning organisations; to broker learning opportunities for their members with advice services; to secure the best courses to meet learners' needs and kitemarking union academy provision to a quality standard. Also researches union priorities on learning and skills, identify and share good practice, promote learning agreements, support union members on learning and skills bodies, and help shape sector skills agreements.
VQRP	Vocational Qualifications Reform Programme	Programme	England, Wales and Northern Ireland	A UK wide initiative to address skills need within the UK economy. It aims to simplify the vocational qualifications landscape for both learners and employers by ensuring that reformed qualifications and other learning provision are recognised, understood, valued and trusted.

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WAG	Welsh Assembly Government	Policy maker	Wales	Set up to exercise functions devolved to it in order to make decisions on matters which affect people's daily lives; to develop and implement policy; to make subordinate legislation (e.g. regulations and statutory guidance) and to propose Assembly Measures (Welsh laws).
YPLA	Young People's Learning Agency	Funding agency	England	One of two new organisations that are being set up to replace the LSC that is being abolished in 2010. The YPLA will work closely with Local Authorities on developing a funding formula that will enable high quality provision for young persons.

Appendix D – Sources of evidence

List of consulted stakeholders

Stakeholder type	Stakeholders
End Users	• National Learner Panel
Centres and Representatives	• St Brendans 6th Form College • Belfast Metropolitan College • Westlands School • Lutterworth College • Rainham Mark Grammar School • Lewis School • NETA • AoC • ALP • NAHT • ASCL
Awarding organisations and representatives	• AQA • OCR • City and Guilds • WJEC • ABBE • Institute of Sales and Marketing Management • Chartered Insurance Institute • FAB • Edexcel
Government Departments, Bodies, Agencies and other Representatives	• Ofqual • LSC • QCA • UKCES • NAA • NIACE • DIUS • DCSF • DCELLS* • CCEA*
Sector Skills Councils	• Financial Services Skills Council • Construction Skills
Wider consultation and inputs	• Awarding Organisations Event – 27th November 2008 • JCQ Executive Group Meeting • FAB Directors Meeting

Reports

- VQRP Strand 4 – Milestone 5 – Summary Report – 12th September 2004

- Drivers and barriers to the adoption of e-assessment for UK awarding bodies; Thompson 2005

- The market for qualifications PwC report April 2005

- Financial Modelling of the English exams system PwC 2005

- The rationalisation of qualifications 2005 – Annual report from the regulatory authorities in   England, Wales and Northern Ireland; QCA June 2005

- Review of Awarding Bodies' Fees; PKF December 2006

- Leitch Review of Skills: Prosperity for all in the global economy – world class skills, Final Report; HMSO December 2006

- Scoping exercise for the study of the efficiency of the qualifications system; Europe Economics October 2007

- Report on recognising organisations as awarding bodies – the recognition process QCA February 2008

- Annual qualifications market report,   QCA April 2008

- Ensuring that qualifications continue to meet demand (procedure) QCA 08/04/2008

- Investigation into the Burden for centres caused by awarding body monitoring; PKF April 2008