



How should examinations for 15-19 year olds in England be run?

A response from the Association of Colleges
November 2011

What is AoC?

The Association of Colleges (AoC) represents and promotes the interests of Colleges and their students. Colleges provide a rich mix of academic and vocational education from basic skills to higher education degrees. AoC represents and promotes the 347 Colleges in England incorporated under the Further and Higher Education Act 1992, including 94 Sixth Form Colleges and 253 Further Education Colleges.

Colleges play an important role in diversifying the education system, in providing a breadth of high-quality choices for young people and in preparing them for higher education and adult life. Colleges educate 861,000 young people aged 16 to 18, twice as many as schools¹. This includes 188,000 young people taking A-levels and 673,000 young people aged 16 to 18 taking vocational courses². Colleges also train approximately one quarter of the total 491,000 apprentices³.

In addition, they have a growing role in the education of those of compulsory school age, including 59,500 14 to 15 year olds taking part-time courses and 3,500 studying full-time⁴.

Thirty two Colleges are now involved in sponsoring Academies, 18 as the main and sole sponsor⁵. Colleges account for 38% of entrants to higher education⁶.

The arguments in favour of and against having a range of awarding bodies for academic and applied qualifications (including A Levels, GCSEs, Diplomas, BTECs and OCR Nationals), and the merits of alternative arrangements, such as having one national body or examination boards franchised to offer qualifications in particular subjects or fields.

1. Colleges educate over 900,000 young people and prepare them for adult life. Qualifications are used by College students to continue to higher education or secure employment. The awarding bodies who offer these qualifications act as suppliers to Colleges in their drive to raise standards and reduce costs.
2. To some extent, a broad range of awarding bodies provides a choice for Colleges and for their students, particularly in specialist areas and where there is a need for particular skills to progress to a university, a profession or trade. The income stream that the awarding bodies attract allows them develop qualifications which have fewer applicants and develop a varied and wide body of knowledge.
3. However, Colleges report considerable concerns about the way in which the qualification market works both in terms of quality and efficiency. The market for qualifications is lucrative particularly in schools. The perverse incentives provided by performance tables to deliver vocational qualifications in schools, which was identified as a problem in the Wolf

¹ AoC analysis of Individualised Learner Record 2009/10; DfE Statistical First Release – Participation in Education, Training and Employment by 16-18 year olds in England, June 2011

² AoC analysis of Individualised Learner Record 2009/10

³ The Data Service analysis of Individualised Learner Record Data 2009/10

⁴ AoC analysis of Individualised Learner Record 2009/10

⁵ DfE list of open academies at September 2011

⁶ UCAS dataset of Applicants and Acceptants in England for 2010 entry

review, led to poor advice to students and difficulties for them when progressing to post 16 education. Ofqual needs to monitor growth in awarding organisation activity to ensure that students' interests are paramount.

4. AoC's 2010 report on exam expenditure⁷ confirmed that the total exam fee bill for Colleges had risen to £196 million in 2009-10. This amounts to 4% of the funding Colleges receive from Government. Colleges do not disaggregate their income and expenditure by age group but we estimate that England's Colleges spend more than £100 million a year on qualifications for 15-19 year olds. Our report identified a number of additional concerns on exam costs which went beyond the headline costs:

- Fees and total costs continue to rise even when work has been transferred back to Colleges (for example, in relation to course assessment and on-line registration). Fees paid to awarding bodies represent only part of the total costs of testing students, with costs of invigilation, assessment, on-line testing and general overheads associated with the provision of exams potentially doubling the full costs.
- The nature of College students, and the fact that state education is free for those aged under 19, means that price rises directly affect the funding available for teaching and learning. Some Colleges pass on fees for re-sits and re-certification fees but others waive these fees owing to the fact that some students are unwilling or unable to pay.
- There is a perception from Colleges that fees for late registration, and other extra charges, have risen faster than standard fees. We examined this in another report which concluded that some awarding bodies are using late fees as a form of profit-maximising price discrimination (in the way they are used in product-rental or travel industries)⁸.
- There are considerable costs in changing a qualification to a different awarding body because of the need to learn new rules, change teaching materials and assessment methods. 63% of Colleges have not changed any of their main awarding organisations in the past five years.
- There is a consistent upward pressure on qualification costs because of Government funding and qualification regulations. These cost pressures appear to wipe out any savings from new technology.

5. In 2010 AoC compared the English awarding bodies to the Scottish Qualifications Authority (SQA) and reached the following conclusions:

- The cost per entry for the equivalent qualifications in Scotland's College sector is much lower than in England

⁷ <http://www.aoc.co.uk/en/policy-and-advice/funding-and-finance-pensions/audit-tax-licensing-compliance/exam-fees.cfm>

⁸ <http://www.aoc.co.uk/en/policy-and-advice/funding-and-finance-pensions/audit-tax-licensing-compliance/exam-fees.cfm>

- Late fees charged by SQA are a standard charge agreed annually and reflect the cost of late entries rather than a financial punishment for late registration.
- Scotland's Colleges pay a smaller percentage of their income to Awarding Bodies (3.1%) compared with 4.0% in England (2008/9)

Table 1 Fees paid to awarding Bodies in England and SQA in Scotland by Colleges

| Year | England* | SQA Scotland |
|---------|----------|--------------|
| 2005-6 | £170m | - |
| 2006-7 | £178m | - |
| 2007-8 | £180m | £9.6m |
| 2008-9 | £192m | £10m |
| 2009-10 | £196m | £10.1m |

*www.aoc.co.uk/download.cfm?docid=28B0D0E2-C8E3-4557...

6. The SQA model, whilst attractive, is underpinned by Government investment and has drawbacks in terms of the ability of a single national awarding organisation to respond in the way which English awarding bodies do. However a national commissioning agency for general qualifications, working with franchised awarding organisations, might lead to reduced costs to Colleges. General qualifications have greater uniformity and do not need to reflect employer needs in the same way as vocational and occupational qualifications.
7. AoC has carried out work to investigate alternative models for organising assessment as part of work we have done with the Skills Funding Agency on shared services. In a 2011 report, we looked at the feasibility of changing the market for qualifications for those aimed at those over 19⁹. The report has relevant lessons for 15-19 education and for what might be possible for other education institutions. The models and the conclusions were:
 - There is no appetite in Colleges individually or collectively to develop a new awarding body because it will distract them from their core work, because of the costs and risks involved and because of concerns about securing currency given the long histories of existing awarding bodies and difficulties managing possible conflicts of interest.
 - There was some interest in joint ventures between Colleges and an awarding body.
 - There was considerable interest in measures to make the existing market work better and securing government help to do this.
8. Colleges and schools face a difficult time financially as a result of the reductions in public expenditure. A report from the Institute of Fiscal Studies concluded that the real-terms reduction in spending on 16-18 education of 20%¹⁰ was greater than reductions in other areas of the education budget. In these circumstances, the £196 million costs of examinations and qualifications are an important issue, particular as fees continue to rise despite the savings that should be available from new technology and placing greater reliance on internal systems.

⁹ <http://www.aoc.co.uk/download.cfm?docid=AAB299FD-F6F4-4FAF-8D2BD86E4DD97300>

¹⁰ <http://www.ifs.org.uk/bns/bn121.pdf>

9. The Government intends to make Colleges and schools more accountable to students and parents through the provision of transparent and comparable public information. This year the attainment tables for schools included a calculation of how much each institution had spent on each of its activities. There are proposals to make information available to the public within the College sector which will include success rates, student destinations and learner and employer satisfaction. In the same spirit we are keen to see a comparison website, hosted through Ofqual, which allows awarding organisations to be compared on both cost and customer services.

How to ensure accuracy in setting papers, marking scripts, and awarding grades

10. We agree that Ofqual's role should be to regulate awarding bodies rather than individual qualifications. We believe this is the most effective way of controlling a complex market with large organisations running a wide variety of services.
11. In May 2011 Ofqual launched the *Criteria for Recognition* and the *General Conditions of Recognition*. These have their basis in the Apprenticeships, Skills, Children and Learning Act 2009 and are, therefore, legally enforceable requirements.
12. The *Criteria of Recognition* specify the requirements of any organisation that wishes to become recognised as an awarding body. Existing awarding bodies who wish to expand the scope of their recognition will also be required to provide evidence of how they meet the *Criteria for Recognition*.
13. The *General Conditions of Recognition* apply to all awarding bodies that are currently recognised by Ofqual to award regulated qualifications. All awarding bodies will need to notify Ofqual of their compliance with these *Conditions* by 18 May 2012. Any awarding body that does not make this notification within the required timescale will not be recognised to continue to award regulated qualifications. Ofqual will require a notification of compliance from each awarding body on an annual basis by May 2012.
14. AoC considers this a robust system which provides transparency, clarity and the ability for Ofqual to act when there is non-compliance.
15. An immediate issue in summer 2011 has been the increase in the number of errors in exam scripts. We provided evidence to a recent Ofqual inquiry which noted that the number of errors was relatively small but which encouraged Ofqual to ask awarding bodies to act faster when discovered. Specifically, we think there should, where feasible, be immediate action on the day of the examination, and subsequent follow up, if an error is discovered. We believe a consistent approach is needed for all similar examinations.
16. We are concerned that appeals against awards are costly and therefore we would like to see a standard reasonable cost. Although at first this might increase the number of appeals, in the fullness of time it may well decrease the number as centres begin to understand the rulings and advise candidates before an appeal.

The commercial activities of awarding bodies, including examination fees and textbooks, and their impact on schools and pupils.

17. At its simplest, there are three distinct roles in assessment:
 - Standard setting
 - Teaching
 - Awarding of qualifications
18. There are sometimes good reasons to run two or even all of these roles in a single organisation but, in principle, we believe they should be organised distinctly.
19. Universities hold all three roles in one organisation but do so within a long-established, reasonably well-regulated system of quality assurance backed up by the Quality Assurance Agency (QAA) and external examiners.
20. In some specialist areas, Sector Skills Councils such as Construction Skills, are responsible for all three activities but with a clear separation of roles and governance structures to protect the public interest.
21. The protection of the public interest in both cases is secured partly through the fact that universities and Sector Skills Councils are public benefit organisations with charitable status and under the remit of independent regulators.
22. Applying lessons from related areas to the provision of 15-19 qualifications, we have the following concerns:
 - The inefficient way in which qualification provision works allows awarding bodies to generate assessment surpluses but there is no separate disclosure or regulation of these because of the varied ownership and status of awarding bodies. Edexcel is owned by a PLC (Pearson), OCR is owned by the University of Cambridge, AQA is a registered charity, while City and Guilds is a charity with a Royal Charter.
 - It appears that some awarding bodies may be using their assessment surpluses to invest in building up education and training provision or cross-selling between distinct activities in a way that could compromise the validity and confidence in their assessment. Pearson and City and Guilds have both recently expanded their apprenticeship training provision. There is investment by several awarding bodies in online publishing of teaching materials to support their qualifications
 - There does not appear to be a link between different strands of Government regulation of the assessment activities of awarding bodies and their education/training activities. Pearson's assessment activities are regulated by Ofqual; its apprenticeship provision is inspected by Ofsted and funded by the Skills Funding Agency while its higher education teaching and assessment will be regulated by the new higher education regulator (subject to planned higher education legislation).
23. It is important to state that we have no specific evidence of systemic abuse arising from the weaknesses we identify but we do think it would be better to act on this issue now rather

than wait until something happens. For all the problems we diagnose, there is considerable public confidence in the existing qualifications and considerable benefits for students, parents, employers and international partners in maintaining effective regulation to ensure this is not damaged.

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