

Reforms to GCSEs in England from 2015

Regulatory Impact Assessment



November 2013

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Introduction

In June 2013, we consulted on new arrangements for GCSEs in England in nine subjects for first teaching in September 2015 (English language, English literature, maths, chemistry, physics, biology, double award science, geography and history).¹ The reforms will address concerns we have about current GCSEs, which we outlined in that paper. They related to areas such as modular exams, controlled assessment, tiering and grading.

Having considered the responses to the consultation, we are now publishing² our decisions on the regulatory arrangements for the first three GCSEs to be introduced, in English language, English literature and maths. The intention of the reforms is to put in place GCSEs that are engaging and worthwhile to study and teach, whilst commanding the confidence of those who use them.

We are reforming GCSEs to make sure they provide evidence of students' achievements against a demanding and fulfilling curriculum and a strong foundation for further academic and vocational study. We have reflected Ministers' policy ambitions, published in February, and the new GCSEs in core subjects will reflect the curriculum content on which Ministers have consulted. Our approach to reform also takes into account the pressures placed on qualifications when they provide a basis for schools to be held accountable for the performance of their students.

This regulatory impact assessment describes the potential cost and delivery impacts on stakeholders of the reforms and puts these alongside a summary of the reforms as set out in more detail in *Reform to GCSEs in England from 2015 – Summary*. The impact assessment also identifies the impact in other parts of the UK and how these reforms could affect the GCSE market. We will keep these impacts under review as the reforms are implemented.

Our Equality Analysis Report³, published separately, covers our current analysis of the potential impact of the proposed reforms on different groups of students.

These impact assessments have informed the final decisions being announced in *Reform to GCSEs in England from 2015* on the design principles for the reformed

¹ We are now working towards reforms being made to qualifications in English language, English literature and maths for first teaching in 2015: Reform timetable Correspondence 6th September 2013: www.ofqual.gov.uk/news/reform-timetable-correspondence

² *Reform to GCSEs in England from 2015 – Summary*: www.ofqual.gov.uk/documents/summary-on-reforms-to-gcses-from-2015

³ *GCSE Reform: Equality Analysis Report*: www.ofqual.gov.uk/documents/equality-analysis-report-on-reforms-to-gcses-from-2015

GCSEs. Although, as we identify below, some risks and impacts of the reforms will need to be mitigated (in some cases working with others), there is nothing in this impact assessment to indicate that the reforms cannot or should not be put in place.

In carrying out the regulatory impact assessment we supplemented the evidence gathered through the consultation with face-to-face discussion with schools, individual meetings with the exam boards and a questionnaire sent to the Association of Employment and Learning Providers, the Association of Colleges, the Exam Officers Association and representatives of college and school finance managers. We also referenced the employer survey, focusing on the grading proposals undertaken in September 2013.

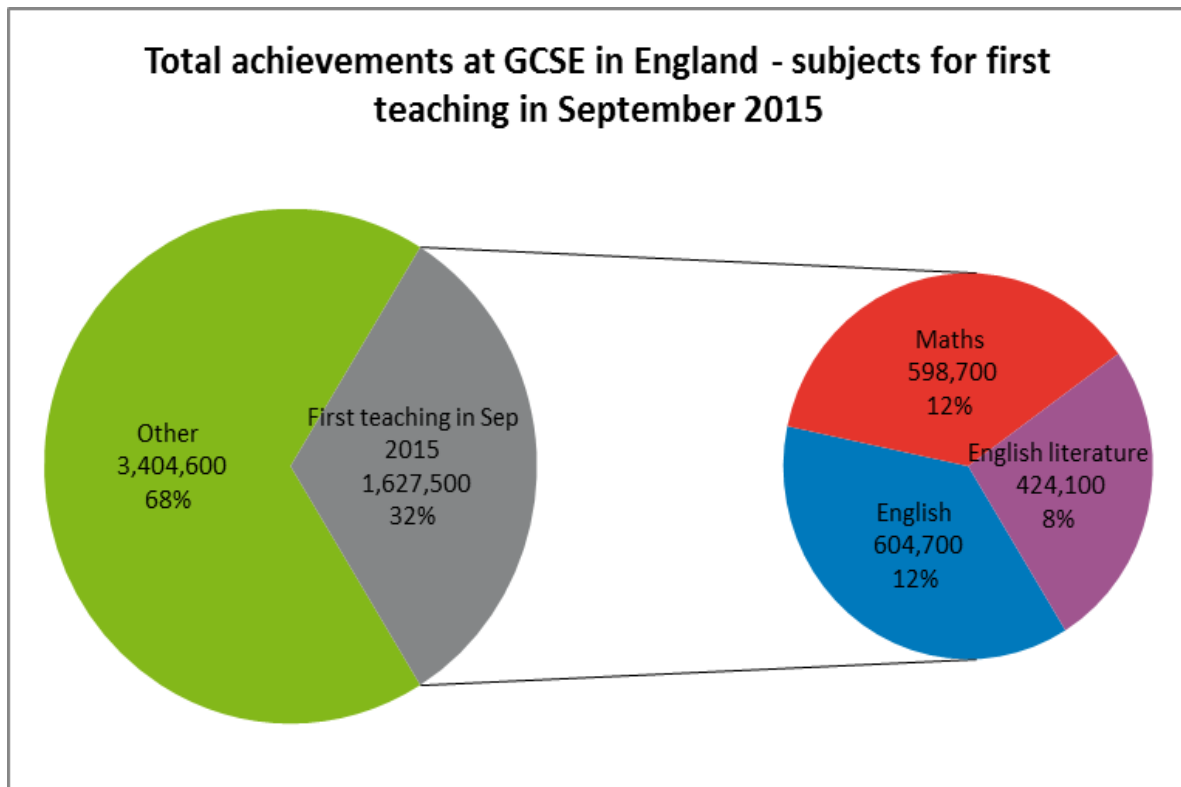
The current GCSE market

Some background facts about GCSEs:

- GCSEs accounted for around a third of all qualification achievements in 2011/12.
- In summer 2012, some five million GCSE certificates were awarded in England⁴ in almost 50 subject areas. The first tranche of nine subjects proposed for reform in our consultation paper accounted for over half of these achievements.
- The three subjects now proposed for first teaching in September 2015 account for around a third of the 2011/12 GCSE achievements in England.

⁴ Total achievements across England, Wales and Northern Ireland are around six million including November and January exam series in addition to the achievements awarded in the summer.

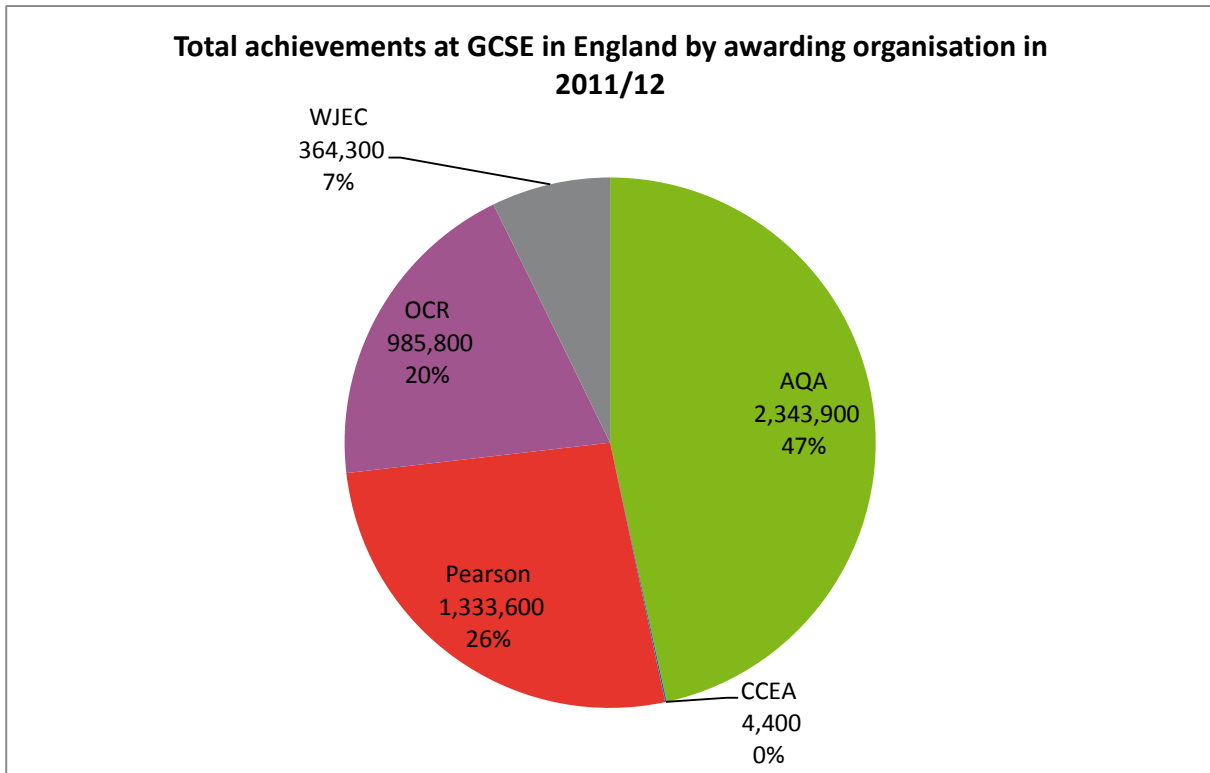
Figure 1: Distribution of 2011/12 GCSE achievements for England in subjects planned for first teaching in September 2015



Source: JCQ data (summer series only):

- These 2011/12 qualifications were modular in design; exams could be sat individually over the duration of the GCSE course. From 2013/14 all assessment will be at the end of the course.
- In 2012, 88 per cent of all GCSE achievements were in schools in England.
- Schools in England, Northern Ireland and Wales accounted for 97 per cent of achievements, with the remainder taken in other centres such as further education colleges in those countries.
- Five exam boards offer GCSEs in England with considerable variation in their market sizes. Exam boards' market share varies subject by subject but each subject tends to be dominated by two providers.

Figure 2: GCSE achievement data for England split by awarding organisation for 2011/12



Source: JCQ data (summer series only)

Figure 3: The distribution of achievements in England by awarding organisations for selected GCSE subjects in 2011/12

Subject	Awarding organisation	Achievements 2011/12	% of total
Maths	Pearson	402,600	67%
	AQA	138,700	23%
	OCR	54,600	9%
	WJEC	2,800	0%
English	AQA	368,400	61%
	WJEC	121,500	20%
	Pearson	70,000	12%
	OCR	44,800	7%
English literature	AQA	266,500	63%
	WJEC	81,500	19%
	Pearson	42,000	10%
	OCR	34,000	8%
Biology	AQA	82,900	53%
	OCR	56,600	36%
	Pearson	15,200	10%
	WJEC	600	0%
Chemistry	AQA	79,800	53%
	OCR	54,300	36%
	Pearson	15,200	10%
	WJEC	600	0%
Physics	AQA	78,900	53%
	OCR	53,900	36%
	Pearson	15,100	10%
	WJEC	600	0%
Additional Science	AQA	126,600	48%
	OCR	100,900	38%
	Pearson	37,600	14%
	WJEC	800	0%
Science	AQA	260,200	51%
	OCR	176,200	35%
	Pearson	69,200	14%
	WJEC	1,500	0%
Geography	AQA	78,500	47%
	Pearson	40,100	24%
	OCR	32,200	19%
	WJEC	17,700	10%
	CCEA	100	0%
History	OCR	80,400	40%
	Pearson	60,800	31%
	AQA	50,300	25%
	WJEC	7,600	4%

- There are over 3,000 maintained secondary schools with over three million pupils and over 100,000 teachers in England.
- We have estimated that schools in England, Wales and Northern Ireland currently spend in the region of £181m on GCSE fees.⁵

Summary

Table 1 below summarises the stakeholder impacts of the reforms. It is based on the original set of nine subjects set out in our June 2013 consultation paper. These are the impacts of: when exams are allowed to be taken (May/June with exceptions for some subjects); any change in total length of exams; tiering; grading; and non-exam assessment. We then set out in more detail the potential impacts for each stakeholder group. We will consult in due course on the range of subjects that can carry the GCSE title.

The regulatory impact assessment also distinguishes between the move in summer 2014 to modular exams all being taken at the end of the course and the new GCSEs that will be designed for terminal assessment.

⁵ *Annual Qualifications Market Report 2013 – Supplementary Report: Qualifications in Schools and School Sixth Forms*: www.ofqual.gov.uk/files/2013-09-13-aqmr-supplementary-report-qualifications-in-schools-and-school-sixth-forms.pdf

Table 1: Summary of potential regulatory impacts of reform by stakeholder

NOTE: Upward arrows indicate a potential benefit or cost saving of the reform; downward arrows a potential cost

Reform and Decision	Reform benefits	Schools	Further education	Employers	Exam boards
<p><u>Modular (throughout course) to modular end course</u> – Two-year GCSEs starting September 2012 will be assessed at course end in 2014.</p>	<p>↑ Reversal of constraint modular design has on students developing a strong and holistic understanding of a subject</p> <p>↑ Synoptic assessments require students to integrate different aspects of a topic and test their enriched understanding of a subject</p>	<p>↓ More pressurised, concentrated exam series</p> <p>↑ Exam entry more administratively simple – volume and late entry reduction</p>			<p>↓ Higher marking costs owing to concentrated exam series as a result of marker supply</p> <p>↓ Reduced revenue resulting from fall in number of re-sits</p>
<p><u>Modular end course to linear synoptic design</u> – Reformed GCSEs should be taught over two years, allowing students the opportunity to develop their understanding of the subject over a period of time.</p>	<p>↑ Improved ability of exam boards to ensure consistent standards year-on-year</p>	<p>↓ Workforce readiness – more recently qualified teachers' inexperience of teaching linear, synoptic specifications and training budget impacts</p> <p>↓ Requirement to develop and capture formative assessment data to track student progression</p> <p>↓ Costs associated with purchasing teacher and student support resources/materials</p> <p>↓ Owing to changes in grading and a change in the type of questions included in exams (more</p>	<p>↓ Further education: Workforce readiness – additional staff development costs to teach GCSE maths/English</p> <p>↓ Requirement to revise student recruitment and delivery patterns to tie in with the availability of GCSE English and maths exams</p>		<p>↓ Investment in specification change and development costs</p> <p>↑ New revenue streams from providing additional support for schools (for example assessment tools to allow schools to track student performance)</p> <p>↓ Increase in marker costs if marking time increases for linear, synoptic exams (for example as a result of change in mix of question types)</p>

Reform and Decision	Reform benefits	Schools	Further education	Employers	Exam boards
		<p>extended writing, problem solving questions), there could be an increase in appeals, re-sits and re-marks</p> <p>↑ Exam entry more administratively simple – volume and late entry reduction</p>			
<p><u>When external assessment will be available</u> – All exams for new GCSEs will normally be taken in May and June of the same year. The only exception to this is that students who were at least 16 on the preceding 31st August will be able to take the exams (whether or not for the first</p>	<p>↑ Challenges early/double entry practise</p>	<p>↓ More schools may adopt lengthened Key Stage 4 (i.e. beginning to teach GCSEs in these subjects in Year 9 in order to re-take in year 11)⁷</p>			

⁷ Since we consulted on this proposal the Government has announced that, with effect from 29th September 2013, only a student's first entry to a GCSE will count in their school's performance tables. This is to address significant increases in early entry in recent years. It is anticipated that this move could see behavioural changes in schools and a reduction in the number of early entries. Changes to early entry at GCSE: www.gov.uk/government/news/changes-to-early-entry-at-gcse

Reform and Decision	Reform benefits	Schools	Further education	Employers	Exam boards
time) in English language and maths in November, as success in these subjects can be required for progression to further study or work. ⁶					
Assessment time We will not prescribe the minimum total time that should be spent on exams in each subject. Each exam board will have to consider the amount of exam time necessary when they develop their assessment strategies.	↑ Performance reliably assessed across the full ability range	↓ Potential timetabling issues and capacity to hold exams if overall assessment time increases significantly			↓ Increase in marking costs if there are longer exams
Tiering – We will require qualifications to be tiered only where one exam cannot assess students	↑ Reduction in the risk of limiting students' opportunities	↑ Less tiering makes entry decisions easier and could lower late entry rates where tiering was a key factor			↓ Development cost of exams to test full ability range

⁶ In Reform to GCSEs in England from 2015 we say that are still considering whether November exams should be available in other subjects for students of this age.

Reform and Decision	Reform benefits	Schools	Further education	Employers	Exam boards
across the full ability range in a way that enables them all to demonstrate their knowledge, understanding and skills in the subject.					
<p>Grading – We are changing the number of grades and the way they are described. The grades will be described using numbers (1-9) rather than letters.⁸ Grade 9 will represent the highest level of attainment. There will be more differentiation between students achieving the middle and higher grades.</p>	<ul style="list-style-type: none"> ↑ Better differentiation between students particularly at the top end ↑ Distinction between old and new GCSEs 	<ul style="list-style-type: none"> ↓ Implications for sixth form colleges to change admissions policies ↓ Implications for schools' management information systems ↓ Potential impacts on enquiries about results 	<ul style="list-style-type: none"> ↓ Recalibration of entry requirements 	<ul style="list-style-type: none"> ↓ Lack of familiarity ↓ Will continue to compare old with new systems ↓ Possible cost implication of IT system upgrade and staff education 	<ul style="list-style-type: none"> ↓ Potential increase in awarding costs owing to a need for more rigorous approach across a greater number of grade boundaries
<p>Non-exam Assessment – In new GCSEs, assessments in</p>	<ul style="list-style-type: none"> ↑ Greater confidence that non-exam assessment will assess those aspects of a subject it 	<ul style="list-style-type: none"> ↑ Freeing up teacher time to teach ↑ Lower administrative burden associated with 			

⁸ Current GCSEs use eight grades, A* to G.

Reform and Decision	Reform benefits	Schools	Further education	Employers	Exam boards
most subjects will be by exam only. They will be marked by examiners employed by exam boards rather than by teachers. Not all skills that are intrinsic to a subject can be assessed by exam, so non-exam assessment will continue where necessary.	<p>was put in place to assess</p> <p>↑ Less disruptive and less time diverted time away from teaching and learning</p> <p>↑ Greater confidence that the final work is representative of a student's true level of replicable achievement</p>	<p>↓ controlled assessment</p> <p>Schools potentially look at alternative qualifications where exam-based assessment is unfavourable to students</p>			
Market impacts		<p>↑ Lower exam expenditure stemming from lower entry volumes and re-takes</p> <p>↑ Reduction in late entry fees and volumes</p> <p>↑ Potential reduction in number of GCSE subjects taught</p>			<p>↑ Cost reduction stemming from lower exam entry</p> <p>↓ Revenue reduction stemming from lower exam entry</p> <p>↓ Potentially higher costs if there is more external assessment and higher marking costs</p> <p>↓ Development costs of new specifications</p> <p>↓ Potential reduction in number of GCSE subjects offered</p>
Three country impacts	It is likely that the general qualifications taken in Wales and Northern Ireland at age	<ul style="list-style-type: none"> No impact for English schools 	<p>↓ Recalibration of entry requirements where intake is from schools in England, Wales and</p>	<p>↓ Confusion created by different approaches</p> <p>↓ Possible cost implication of IT</p>	<p>↓ Increase in awarding costs and risks for exam boards offering GCSEs in each of the</p>

Reform and Decision	Reform benefits	Schools	Further education	Employers	Exam boards
	16 will be different in structure and content from those taken in England		Northern Ireland	system upgrade and staff education to accommodate different country systems	countries

Implications for stakeholders

Schools

The schools interviewed thought that the impact of the proposed reforms for them would be neutral in cost terms. They expected to incur increased costs for new resources, materials and teacher training but thought that this would be offset by lower expenditure on, for example, exam fees as well as savings in teacher time by the removal of non-exam assessment. This reduction in exam fees stems from an expected lower number of exam entries. This will reflect reductions in the number of modular re-sits and fewer late entries stemming from more straightforward administration and the reduction in tiered subjects. Some stakeholders have suggested that students will also take fewer GCSEs because the new GCSEs will be more challenging and some may require longer teaching time. However, this will depend on the choices schools make, which will be affected by the new school accountability arrangements that Department for Education recently announced. The expectation is that the reforms will make exams administration simpler. However, some schools and exam officers identified impacts from a concentrated summer exam series on the availability of exam rooms, particularly if total assessment time in the summer increases significantly and puts additional pressures on the exam office during this period. Potential implications for school management information systems were identified as another cost impact.

The overall impact of the reforms on exam expenditure will depend both on eventual exam boards' fee structures and on the exam entry choices that schools and colleges make for their students, but we can expect total entry volumes for GCSEs to fall as explained above. In our next steps, we will carry out a modelling exercise of the cost impacts of the reforms for schools, colleges and other training providers.

The training needs of teachers have been identified as an important issue to make sure that they are well prepared to teach the new qualifications. Some teachers may require more support than others, particularly less-experienced teachers who may not have taught linear qualifications before.

Further education

The further education sector identified the administrative implications of linearity for independent training providers and some further education colleges where programmes for some type of students have been traditionally designed more on a 'roll-on/roll-off basis.

The requirements for the type of maths and English to be studied post 16 and how they are assessed is changing, potentially including that for apprentices. This will impact on the further education sector, in particular where providers will need to tie in delivery patterns with availability of GCSE English and maths exams.

Employers

Whilst it is not envisaged that a move to a new grading structure will result in any significant system upgrades, the new system will be unfamiliar and will have potential implications for educating the staff and when comparing old and new grading structures. In addition, there could be confusion created by different approaches in England, Wales and Northern Ireland.

Exam boards

Exam boards are incurring development costs and will potentially incur additional costs to deliver the reformed qualifications in particular if there is more external assessment and higher marking costs. The timelines set out on our website⁹ demonstrate that there is a considerable transition period to the point when they will only be awarding the reformed qualifications and where the costs of awarding become more stable. There are many issues that the exam boards will need to consider here, including uncertainty about numbers of entries and their operational and pricing approaches. We consider further the impact on exam boards in the section on market impacts. We will keep prices under review, taking action where necessary, and expect exam boards to provide value for money.

Market impacts

Due to the scale and nature of the reforms, we expect an impact on the GCSE market. This could affect schools and colleges through the choice and price of GCSE subjects available and in the number of exam boards offering specific subjects. There could be changes in the market share; this could affect the market power of the exam boards, how they will operate competitively in the market and the types of products and services they will offer with the new qualifications.

Given the scale of change of the GCSE market alongside reform of A levels, we can expect each exam board to look quite fundamentally at its overall commercial strategy and the portfolio of GCSEs and A levels offered in the market. There will be significant volume uncertainty for the exam boards as schools and colleges decide in which and in how many GCSE subjects or vocational alternatives they will enter individual students.

This uncertainty around the size of the GCSE market represents a significant financial risk for exam boards given the relative importance of revenues from GCSEs for their business. It will not be until academic year 2018/19 at the earliest that the

⁹ Changes to qualifications – Timeline of reforms: www.ofqual.gov.uk/qualifications-and-assessments/qualification-reform

exam boards will be awarding only reformed GCSEs and A levels at which point their revenue and cost bases will become more stable.

We will keep the impact of the GCSE reforms on the market under review. We will identify risks from any changes, mitigating actions and contingencies so that the GCSE reforms are implemented successfully. We are reviewing:

- **the impact on the structure of the market**, as we move through the implementation phases of the reform programme and establish how it affects the balance in terms of the size and market share of exams boards.
- **the impact on market behaviour**, including how the exam boards may choose to differentiate themselves in the market, for example in terms of pricing and other products and services offered alongside the new qualifications; the extent that they will continue to offer qualifications in less popular subjects; and the impact that eventual pricing strategies will have on the level of cross subsidy in current charges.
- **the impact on each exam board's performance**, to see how it responds to the reforms, if its approaches to achieving efficiency savings are impacting on its profitability and financial risk profile, and how this affects its ability to continue to develop and deliver GCSEs and other qualifications it offers, to the required standard.

Three country impact

Until recently the regulation of GCSE qualifications was generally undertaken together by the regulators in each of England, Wales and Northern Ireland. This is not now the case and the decisions covered by this impact assessment relate only to GCSEs designed for the market in England. The regulators in Wales and Northern Ireland are currently developing arrangements for GCSEs in their respective jurisdictions; both are proposing to continue to allow a modular approach to assessment and maintain the current grading structures. This will mean that GCSE outcomes will be reported differently across the different jurisdictions. Most students taking GCSEs will progress their studies in the same country where the nature of the GCSEs will be known. However, there will be students who cross borders at 16 or when older to further their education or to take up employment. The qualifications regulators will work with key stakeholders, particularly colleges, universities and employers, to facilitate a better understanding of differences and their implications.

Next steps

We will continue to review the impact of the reforms as they are implemented and consider whether there are further actions or changes we need to make. In particular we will:

- carry out a more detailed, quantified (where possible) assessment of the cost and delivery impacts of the reforms. This will include modelling scenarios for the potential cost of the reforms for schools, colleges and other training providers offering GCSEs. We will update this impact assessment once this work is complete.
- keep the regulatory and market impacts of the reform programme under review through the implementation phase of the reforms, identifying risks and , mitigating actions and contingencies so that the GCSE reforms are implemented successfully (ongoing).
- undertake more detailed assessment of the identified risks that could prevent successful implementation of the reforms – and if so how these could be mitigated. This may involve working with others, where necessary.
 - working with Department for Education and Ofsted to gain assurance around workforce readiness to teach (ongoing)
 - a specific piece of research to determine whether a significant increase in three-year Key Stage 4 programmes in schools is expected, and what might be the consequence (by March 2014)
 - through our recognition process and ongoing monitoring to gain assurance of the financial robustness of the exam boards to continue to deliver the qualifications (recognition is April 2014)
- We will consider whether there are appropriate regulatory options to reduce market uncertainty for purchasers and exam boards, to secure standards and value for money of the new GCSE qualifications.

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