



Eich cyf/Your ref:
Ein cyf/Our ref: MA-(P)KW/0768/19

Ann Evans
Chair of Qualifications Wales
Q2, Pencarn Lane,
Newport
NP10 8UH

28 March 2019

Dear Ann,

Qualifications Wales Grant Allocation Letter, 2019–2020

I am writing to confirm the Grant Allocation to Qualifications Wales for 2019-2020. The grant is made in order for Qualifications Wales to carry out its functions as set out in the Qualifications Wales Act 2015.

Section 3 of the Qualifications Wales Act 2015 requires Qualifications Wales to act in a way that it considers appropriate for the purpose of achieving the principal aims of ensuring that qualifications, and the Welsh qualification system, are effective for meeting the reasonable needs of learners in Wales, and of promoting public confidence in qualifications and the system. The Act also requires Qualifications Wales to have regard to the matters listed in section 3(2) when considering what is appropriate for the purpose of achieving those principal aims.

Section 51 of the Qualifications Wales Act 2015 requires Qualifications Wales to provide advice and information to the Welsh Ministers on matters relating to qualifications and the qualifications system in Wales; I anticipate that my officials will write to you during 2019-20 to request advice.

I value greatly the contribution that Qualifications Wales has made to date on the work to develop the new curriculum for Wales. As work progresses in 2019-20 we will turn our attention to qualifications for the new curriculum and I appreciate that this will require substantial involvement from Qualifications Wales. With this in mind, I have instructed officials to keep under review the programme of work for this and future years and I understand they are looking, along with yourselves, at a potential pressure of approximately £480,000 which you have indicated you will not be able to absorb within your grant allocation for this year. I will write to you again on this issue next month.

Grant Allocation

I am pleased to confirm that the Welsh Government will provide Qualifications Wales with grant funding as set out in the budget split below:

	2019-20 £000
Revenue ⁽¹⁾	8,067
Welsh for Adults Examinations	200
Non-cash (e.g. Depreciation/Impairments)	215
Total Resource	8,482
Capital	-
Total Resource and Capital Budget⁽²⁾	8,482
<i>GIA Adjustments:</i>	
Non-cash (e.g. Depreciation/Impairments)	(215)
Debtors/Creditors/Provisions ⁽³⁾	
Reserve	
Indicative Grant – in – Aid Total ⁽⁴⁾	8,267

1. Additional funding of £0.225m for pension pressures will be reflected in First Supplementary Budget 2019-20
2. Reflects the resource position of QW
3. Grant in Aid cash draw down will be dependent upon the value of debtors and creditors at the end of the prior and current financial year, and the value of provisions to be utilised in year
4. Reflects the indicative cash grant to be claimed by QW, which will vary according to the level of debtors/ creditors and provisions utilised.

Payment of grant is conditional on compliance with the financial arrangements agreed in the Qualifications Wales Framework Document which has recently been up-dated.

The Grant in Aid allocation above includes additional funding of £0.225m in 2019-20, to meet the identified cost pressures estimated by Qualifications Wales arising from the UK Government's decision to increase employer contributions rates for the Civil Service Pension Scheme. The allocation will be reflected in the First Supplementary Budget 2019-20.

Whilst the Grant-in-Aid budget has not been adjusted, it is recommended that Qualifications Wales continues to make use of the reserve (unspent Grant in Aid), of approximately £0.3m, to ensure that cash balances reduce within the next two years to the tolerance levels outlined in the Framework Document (which is 2% of budget allocation or approximately £165k). You may also wish to consider using some of these reserves for the curriculum reform costs.

Yours sincerely



Kirsty Williams AC / AM
Y Gweinidog Addysg
Minister for Education