

Eich cyf/Your ref:
Ein cyf/Our ref: MA P KW 5599 19

David Jones OBE, DL
Chair of Qualifications Wales
Q2 Building, Pencarn Lane,
Newport
NP10 8UH

March 2020

Dear David,

Welsh Government's Financial Support for Qualifications Wales' activities in Wales: 2020-2021

Following the Senedd's approval of the Final Budget for 2020-2021, I am pleased to provide the detail of your funding arrangements.

A total resource budget of £9.463 million for the 2020-21 financial year has been approved by the Senedd. This is the resource limit up to which Qualifications Wales can incur expenditure in the specified financial year. However, further funding of £0.981m is being made available to support the development of qualifications aligned with the new curriculum.

The grant-in-aid settlement for 2020-21 is therefore £9.248 million. This is the level of cash grant-in-aid which may be claimed from the Welsh Government in the financial year, and has been adjusted for non-cash expenditure (i.e. depreciation), cash retained at the year-end and any working capital requirements.

The resource budget and grant-in-aid settlement are set out in the following table:

	2020-21 £000
Revenue ⁽¹⁾	8,067
Qualifications and the new curriculum	981
Welsh for Adults Examinations	200
Non-cash (e.g. Depreciation/Impairments)	215
Total Resource	9,463

Capital	-
Total Resource and Capital Budget⁽²⁾	9,463
<i>GIA Adjustments:</i>	
Non-cash (e.g. Depreciation/Impairments)	(215)
Debtors/Creditors/Provisions ⁽³⁾	
Reserve	
Indicative Grant – in – Aid Total ⁽⁴⁾	9,248

1. Additional funding of £0.225m for pension pressures has been reflected.
2. Reflects the resource position of Qualification Wales.
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 Qualification Wales, which will vary according to the level of debtors/ creditors and provisions utilised.

As confirmed in the Framework Agreement, where Qualifications Wales is earning income from external sources it is able to retain a maximum of 1% of total revenue without impact to its grant allocation.

I note that you have previously raised the issue of the impact of aligning with the Welsh Government's pay awards on your budget. This funding pressure will be considered during 2020-21 once the pay award for 2020 is known.

I value greatly the contribution Qualifications Wales has made to date on the work to develop the new curriculum for Wales, and have previously acknowledged the substantial involvement necessary from, and the additional activity to be undertaken by, Qualifications Wales over the development and implementation period.

I understand that this has required investment in additional staff and other programme commitments. I have made available an additional allocation of £0.981m for 2020-21 to cover pay and programme commitments, some of which you have already made. This expenditure will be monitored separately and only drawn down as and when required.

I have also noted the impact of these commitments on future years, and I have instructed officials to keep the programme of work for this and future years under review, to inform funding requirements for 2021-22 and beyond.

As a result of new accounting standards for leases (IFRS16), which will be adopted for the public sector from 1 April 2020, there may be a need to reclassify budgets for Qualifications Wales for 2020-21. I understand that you have submitted information to my officials in relation to this new requirement, and any changes will be reflected as part of the First Supplementary Budget 2020-21.

As you will be aware, 2020-21 is the final year in the current term of Government but in line with the new term of Government approach to funding, remit letters for future years will also provide indicative allocations for the full term of Government.

Terms and Conditions of Funding

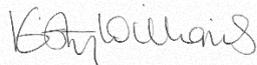
The remit letter and Framework Agreement issued to Qualifications Wales set out various operational requirements and refer to Government guidance and policies with which Qualifications Wales needs to comply, in addition to its own duties and responsibilities as a public institution in Wales. Your Welsh Government partnership team is headed by Claire Bennett and your normal point of contact within the team is Judith Askew. Regular meetings with your partnership team are in place to provide appropriate oversight and monitoring arrangements.

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), to ensure that cash balances reduce within the next two years to the tolerance levels outlined in the Framework Agreement (which is 2% of budget allocation or approximately £0.170m).

I also understand that you have submitted information to my officials in relation to the carry-over of reserves and this is currently being considered.

Funding should be claimed using the form attached at Annex A.

Yours sincerely,



Kirsty Williams AC / AM
Y Gweinidog Addysg
Minister for Education

Annex A

Grant-in-aid Claim & Monitoring Progress Report Form

The partnership team should complete the **text highlighted in green** and ask the public body to complete the **text highlighted in grey**.

Claimant Name (organisation): Qualifications Wales

Claimant contact details: Kerry Price

Financial Year: 2020-21

Claim Period: From 01/04/20 To 31/03/21

Cash Grant-in-Aid claim

Cash Grant-in-Aid awarded (a)	Cash Grant-in-Aid claimed to date (b)	Balance Cash Grant-in-Aid awarded (c) (a-b)	Payments Due (d)	Cash held at bank and in hand (e)	Cash Grant-in-Aid claimed (f) (d-e)
Financial Year 2020-21	Financial Year YYYY-YY	Financial Year YYYY-YY	dd/mm/yy to dd/mm/yy		Claim Period From dd/mm/yy to dd/mm/yy
£	£	£	£	£	£
		0			0

The table above is a spreadsheet. Double click and expand the window to add rows. Totals are calculated automatically.

Cash grant-in-aid is the cash available to (insert name of body) to draw down to meet payments as they fall due. Cash grant-in-aid must not be drawn down in advance of need as retaining excessive amounts of cash is an inefficient use of public funding. Any unspent grant-in-aid retained each month and at the end of the year must be kept within 4% and 2% respectively of the total cash grant-in-aid awarded for that year.

Resource Budget Monitoring															
Expenditure Heading	Forecast Outturn													Budget	Variance from Budget
	April	May	June	July	August	September	October	November	December	January	February	March	Total		
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Revenue														0	0
Non-cash														0	0
Capital														0	0
*Each month, forecasts should be replaced with actual expenditure for previous months															

The table above is a spreadsheet. Double click and expand the window to add rows. Totals are calculated automatically.

The Resource Outturn is the net revenue and capital expenditure (Qualifications Wales) expects to report in their resource accounts at the year end. It is made up of both cash and non-cash. The UK Public Expenditure framework reporting requirements and controls are applied to the Resource budget.

Monitoring report

Target	Progress to date
xxx	xxx
xxx	xxx

DECLARATION

I hereby make a claim on behalf of **Organisation name** for grant-in-aid.

- a) I confirm that to the best of my knowledge and belief, the sum claimed is within the approved expenditure limits.
- b) I confirm that **Organisation name** is not in receipt of any other funding from any other organisation (including other Welsh Government funding streams) to support the expenditure detailed in this claim. This includes applications that are pending. / I confirm that **Organisation name** is in receipt of and/or has applied for other capital and/or revenue funding to support the expenditure detailed in this claim - details are provided overleaf*.

*Please delete as appropriate

Signature:	Date:
Name (Printed):	Position:

The information we have collected from you will be shared with fraud prevention agencies who will use it to prevent fraud and money-laundering and to verify your identity. If fraud is detected, you could be refused certain services, finance or employment in future. Further details of how your information will be used by us and these fraud prevention agencies, and your data protection rights, can be found by contacting Data.ProtectionOfficer@gov.wales

This form needs to be completed by the organisation and returned to: Judith Askew

Please submit your claim by: **Claim deadline**

Other funding supporting the expenditure detailed in this claim

Type of funding and purpose	Amount of funding received/applied for	% of post cost/capital item	Source of funding	Funding received or application pending?
<i>E.g. 3 x full-time development officer posts</i>	<i>£150,000</i>	<i>100%</i>	<i>Big Lottery</i>	<i>Received</i>
<i>Purchase of capital equipment</i>	<i>£30,000</i>	<i>70%</i>	<i>Barclays Bank</i>	<i>Application pending</i>