



Ein cyf/Our ref: MA/JMEWL/0062/24

David Jones OBE, DL
Chair of Qualifications Wales
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Newport
NP10 8AR

5 February 2024

david.jones@qualifications.wales

Dear David,

The Welsh Government's Financial Support for Qualifications Wales' activities in Wales: 2024 - 2025

The 2024-25 draft budget has been published on the Welsh Government's website and we are now able to issue a grant offer letter for 2024-25.

A total resource and capital budget of **£10.507** million for the 2024-25 financial year has been allocated for Qualifications Wales. This is the budget limit up to which Qualifications Wales can incur expenditure in the specified financial year.

The provisional grant-in-aid settlement for 2024-25 is **£10.257** 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 and capital budget and grant-in-aid settlement for 2024-25 are set out in the following table. The Welsh Government does not have a budget from the UK Government beyond 2024-25. The budget for Qualifications Wales in 2025-26 will therefore be considered as part of the next spending review.

	2024-25 £000
Revenue ⁽¹⁾	9,807
Welsh for Adults Examinations	200
Total Revenue	10,007
Non-cash (e.g. Depreciation/Impairments)	250
Total Resource	10,257
Capital	250

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

	2024-25 £000
Total Resource and Capital Budget	10,507
<i>GIA Adjustments:</i>	
Non-cash (e.g. Depreciation/Impairments)	(250)
Debtors/Creditors/Provisions	
Reserve	
IFRS16 Leases ⁽²⁾	
Indicative Grant in Aid (GIA) Total ⁽³⁾	10,257

1. Reflects the resource position of Qualification Wales.
2. Adjustments will be required for IFRS16, the accounting standard for leases introduced from 1 April 2022. Resource budgets will be adjusted as part of the in-year Supplementary Budget, but cash outflows will need to remain the same.
3. Grant-in-Aid cash drawdown 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.

We are all aware that there will be changes to Employer Pension contribution rates from 1 April 2024 and these are expected to increase pension costs. The current budget allocation does not include funding to cover these increased costs. The UK Government has committed to providing funding for increases in employer contribution rates, and we are expecting that this additional funding adjustment will form part of the 1st supplementary budget. We are seeking urgent clarification from the UK Government that these additional costs arising from the change to the SCAPE discount rate will be met in full.

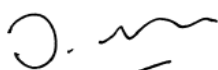
As confirmed in the Framework Agreement, where Qualifications Wales is earning income from external sources it can retain a maximum of 1% of total revenue without impact to its grant allocation.

I am aware you continue to discuss future resourcing and associated cost pressures with officials. I appreciate you recognise the pressures on public finances and welcome your commitment to considering how best to prioritise, plan and deliver your programmes of work, including developing the Full 14-16 Qualifications Offer and responding to the recommendations of the vocational qualifications review. I recognise that you need to consider how your work fits with that of partners and the wider system to mitigate the risk of creating additional burdens on yourselves and others. My officials will, of course, continue to work closely with you to help manage these identified pressures and challenges.

Terms and Conditions of Funding

The remit letter and Framework Agreement issued to Qualifications Wales set out 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 led by Georgina Haarhoff and your normal point of contact within the team is Michael Keoghane. Regular meetings with your partnership team are in place to provide appropriate oversight and monitoring arrangements.

Yours sincerely



Jeremy Miles AS/MS

Gweinidog y Gymraeg ac Addysg
Minister for Education and Welsh Language