



**Rt Hon Michael Gove MP**  
Secretary of State

Sanctuary Buildings Great Smith Street Westminster London SW1P 3BT  
tel: 0370 0012345 ministers@education.gsi.gov.uk

Christopher Trinick DL  
Chair  
Qualifications and Curriculum Development Agency (QCDA)  
Earlsdon Park  
53-55 Butts Road  
Coventry  
CV1 3BH

28 March 2011

Dear Christopher,

### **QCDA: REMIT AND FUNDING FOR 2011-12**

As the Qualifications and Curriculum Development Agency (QCDA) enters its final year of operation, I would like to take this opportunity to thank the Board, the Executive and all the staff for balancing the difficult task of closure and transition alongside the delivery of the Government's continuing priorities such as National Curriculum tests and ongoing support for examinations in schools and colleges. My officials have informed me that these tasks have been carried out with a high level of professionalism and commitment. I look forward to working with you to maintain this relationship over the year ahead.

QCDA was set up to advise Ministers on the curriculum, develop and deliver National Curriculum assessments, develop qualifications and to support schools and colleges in their delivery of examinations. I am now writing to set out QCDA's priorities, remit and funding for the 2011-12 financial year.

### **PRIORITIES FOR 2011-12**

QCDA's key priorities for this year will be:

- the continuation of business as set out in this remit letter, until such time as the functions have ceased or transferred;
- transferring functions which remain a priority for the Government, and working with my officials and other bodies to ensure the transition of functions to the DfE, other partner organisations or the new Standards and Testing Agency; and
- decommissioning of QCDA, in anticipation of its planned abolition, and full

closure once the relevant legislation has been successfully approved by Parliament.

All of these priorities will need to be achieved within the provisional budget allocation for the 2011-12 financial year.

## **CLOSURE**

The final year of QCDA's operation will be challenging, given that it will still be responsible for delivering functions as well as managing the closure and exit of staff. I remain committed to the importance of proper and sensitive handling of QCDA staff and, as a Department, we will do all we can to support you in this and the challenges you face in retaining professional skills whilst delivering both your statutory duties and the business function in this remit.

I would expect QCDA to manage the closure process effectively, in accordance with existing protocols and legislation. You will wish to keep my Department closely involved and informed on progress and risks; especially those related to the delivery of ongoing functions for which QCDA will continue to have responsibility in the short term. This, and other matters related to QCDA's abolition, will continue to be managed jointly with DfE through the Joint QCDA Closure Programme Board.

## **TRANSFER AND TRANSITION**

In my previous letters we have made clear which functions will continue after QCDA is closed. I should be grateful if you would continue to work with my officials to manage the smooth transition of functions to the Department or its new Executive Agencies. In addition, my officials will continue to work with you as you engage with Ofqual, the Department for Business, Innovation and Skills and other partners, to transfer work to these organisations.

As you know, I intend to establish a Standards and Testing Agency within my Department to deliver statutory tests and assessments. This will clearly need to be preceded by a period of transitional planning and I should be grateful if you would continue to work with my officials to support that planning and its implementation on the assumption that almost all functions which are to continue and transfer will have done so by the end of September 2011.

## **BUSINESS WHICH WILL CONTINUE**

Alongside closure, ensuring business continues smoothly remains a priority for us, particularly as we embark upon a new approach to delivering tests and assessments. Ofqual will remain a key player as the regulator of assessments, playing its part in assuring the quality of standards and delivery. Indeed, that role will



be more important than ever, helping the Department ensure that the risks that are an inevitable consequence of transition, are managed effectively.

The following summarises the work which will continue and then either transfer to another organisation or cease at various stages during 2011-12. A list of performance measures underpinning the remit, agreed between my officials and the QCDA Executive is set out at Annex A. QCDA will retain no responsibility for those performance measures from the point of transfer of the associated work.

#### *Early Years Foundation Stage (EYFS) Exemptions*

QCDA will continue to manage the exemptions process from Early Years settings -

QCDA will transfer these responsibilities to the Department. This should occur as soon as possible after Ministers decide what recommendations to take forward following the Tickell Review of the Early Years Foundation Stage and be completed no later than 30 September 2011. In the interim, where there are issues that impact on the ability of QCDA to provide advice to me, then QCDA will discuss with my officials accordingly, and we will agree the necessary actions to address those issues.

#### *Key Stage 2 Tests 2011*

QCDA will continue its responsibilities for Key Stage 2 Testing until September 2011, including the delivery of this year's tests and carrying out procurement on behalf of the Department for the 2012 series, subject to the outcomes of Lord Bew's review of Key Stage 2 testing and accountability. Thereafter, QCDA will transfer all of its responsibilities to the new Standards and Testing Agency.

#### *Examinations*

The following functions connected to public examinations will continue in QCDA until at least September 2011: support for awarding Diplomas; the Diploma Aggregation Service; management of the General Qualifications logistics contract, (which ensures the safe transportation of examination scripts); support and training for examinations officers in schools and colleges; the customer relationship management and helpdesk functions; hosting of the Access Arrangements Online service; and work in support of the Achievement and Attainment Tables. Thereafter, QCDA will transfer the Access Arrangements Online service to the Joint Council for Qualifications, cease work on Diploma awarding, and transfer the Diploma Aggregation Service and the other functions previously mentioned to the Department.

#### *Research*

Work leading the Refernet research function will continue until the current contract expires in December 2011; thereafter, QCDA will have no responsibility for this work.

#### *Corporate functions*

QCDA will retain its responsibility for corporate functions until legislative changes are made. This includes managing within its allocated budget and providing support to continuing business until the end of September. Thereafter it will retain responsibility



for corporate functions to effect legally compliant closure of the organisation.

#### *Statutory functions*

QCDA will be expected to continue to carry out any statutory requirements and compliance with data and information standards as imposed on NDPBs by legislation and regulation. QCDA will also need to continue to carry out those specific statutory functions, and duties set out in the Apprenticeships, Skills, Children and Learning Act 2009 and other education legislation. The level and depth of activity concerning these functions are being discussed between my officials and QCDA. The agreement will be documented in separate correspondence.

My officials will confirm, in supplementary letters, the position on any outstanding policy decisions or performance measures that are still under consideration.

#### **FUNDING**

My officials have written to Lin Hinnigan, QCDA's Acting Chief Executive, to inform her that, following her appearance before the Non-Executive Directors of the Department's Board in January, I approved a maximum limit of £33,085,650 for the QCDA's administrative budget in 2011-2012. This is subject to our Non-Executive Directors challenging this budget limit, when a further opportunity to review the budget arises in May. A letter to Lin explaining this was copied to you.

I can now confirm that a programme budget of up to a maximum limit of £27,890,000 will be made available to you for 2011-2012. Alongside the administrative budget, this will be subject to further review, challenge and scrutiny by the Non-Executive Directors in May.

In line with QCDA ceasing to have responsibility for individual performance measures as work transfers, it is important to note that the programme budget is allocated on the basis that QCDA will only deliver functions in the first half of the year and where these functions are planned to transfer they will have done so by the end of September 2011.

QCDA was asked to make significant savings last year and it has delivered this successfully. In the new financial year, in line with what is expected of all Government Departments and their Arm's Length Bodies, I continue to expect QCDA to make significant savings on administrative and programme costs in line with the closure process. My officials will set out any detail for financial control and monitoring in separate correspondence.

#### **STRATEGIC CONTEXT: ARM'S LENGTH BODY REFORM PROGRAMME**

The Coalition Government is committed to the Arm's Length Body (ALB) Reform Programme as a means of increasing radically the transparency and accountability of all public services. The reform process, which covers all of HM Government's Non-Departmental Public Bodies (NDPBs) as well as other public bodies, is designed to help reinvigorate the public's trust in democracy and also to ensure that

the Government operates in a more efficient and business-like way. The programme will ensure we have the right organisations in place to implement Government policy. It will play a major part in delivering the administrative cost savings set out in the Spending Review 2011-15.

As you know, we are in the process of reducing the number of ALBs and improving accountability by bringing some of the work previously done by ALBs into the Department and by creating Executive Agencies which are more directly within the Department's control; by removing duplication; by looking for ways to achieve efficiencies and cost reductions through the sharing of services; and by better aligning our ALB sector with the rest of the education system. Whilst QCDA still has responsibility for delivery of functions, it should continue to work collaboratively with the Department to support the implementation of these reforms, which are absolutely essential if our children are to get the education they deserve. The QCDA's role, in making this vision a reality, is set out in the priorities for 2011-12.

## **EFFICIENCY CONTROLS REMAIN IN PLACE**

The Efficiency and Reform Group was established by the Cabinet Office in 2010. It has brought together expertise from across Government: from different parts of Cabinet Office, HM Treasury, and the Office of Government Commerce. It aims to make Government more efficient (by reducing operational overheads to give taxpayers better value and allow resources to be focused on key priorities); and to reform radically the way public services are provided (to ensure they meet rising public expectations, improving transparency and accountability and shifting power to people and creating the Big Society).

The Efficiency and Reform Group has introduced a series of financial and management controls to ensure that only essential recruitment and procurement activity is undertaken by Government Departments and their ALBs. These controls include:

- a freeze on all external recruitment;
- Treasury approval for appointments with salary packages which total more than the Prime Minister's salary of £142,500;
- a freeze on new advertising and spending on marketing;
- a freeze on new contracts and contract extensions; and changes to ICT projects of over £1 million and a review of all existing ICT projects;



- a freeze on any new spending on consultancy services from outside bodies;
- a ban on new property acquisitions, property leases and lease extensions; and
- all other procurement subject to stringent Value For Money appraisal and reporting of all spend to HM Treasury on a monthly basis.

In certain specific circumstances exemptions can be sought by your Chief Executive. Exemptions need to be cleared by the Department, HM Treasury or the Cabinet Office depending on the nature of the exemption. The details of the various exemption processes were communicated to QCDA in July 2010.

## **NEW TREATMENT OF ADMIN BUDGETS**

You will be aware that there are changes in respect of administration budgets for the Department's Arm's Length Bodies (ALBs), including QCDA, starting in the 2011-12 financial year. Most significantly, the administration budgets for ALBs are being met from the Department's own overall administration allocation.

Administration budgets cover the costs of all activities not related to direct frontline service provision or in support of frontline service delivery. In practice, this will include activities such as provision of policy advice, business support services, advice on and administration of grant programmes, technical or scientific support. Colleagues in the Department have provided QCDA with more detailed guidance on the categories of spend which are considered administrative activity and it is important that QCDA works closely with the Department's Sponsorship and Finance teams to ensure this guidance is followed.

In summary, administrative expenditure covers employee costs (pay, superannuation, training, travel and subsistence) accommodation (including rent, rates and maintenance), expenditure on office services (including stationery, postage, telecommunications and computer maintenance), expenditure on comparable contracted-out services (including some consultancy costs), depreciation charges and payments to staff as a result of early exit (agreed in advance with the Treasury). The categorisation is standard across Government and HM Treasury will be monitoring its adherence.

## **GOVERNANCE AND RISK**

It is vital that QCDA continues to have in place robust processes which provide assurance for the effective delivery of its remit. As in previous years, QCDA should deliver its remit, including the performance measures, and continue to work with the Department to apply independent, external and other assurance approaches as required by the Permanent Secretary. I expect QCDA to raise immediately with the

Department any potential issues or problems related to delivery including any arising with associated contractors or partners involved. Performance and ongoing delivery will continue to be monitored through the joint Senior Management Review Group and the Joint QCDA Closure Programme Board. Transition and closure risks will have shared ownership with the Department which will have responsibility to support mitigation.

In addition, QCDA will be expected to continue to provide effective and timely support to Ministers in their accountability to Parliament and the public.

## **EDUCATION WHITE PAPER**


The schools White Paper, *The Importance of Teaching*, sets out a radical reform programme for the schools system, with schools freed from the constraints of central Government direction and teachers placed firmly at the heart of school improvement. It offers freedoms to all schools in a way that encourages them to work with each other to improve.

The White Paper signals a radical reform of our schools and I look to QCDA to work collaboratively with the Department to support the implementation of these reforms, which are absolutely essential if our children are to get the education they deserve.

## **TRANSPARENCY AND INFORMATION STANDARDS**

### **Transparency**

The Government remains committed to greater transparency to enable the public to hold politicians and public bodies to account; to reduce the deficit and deliver better value for money in public spending; and to realise significant economic benefits by enabling businesses and non-profit organisations to build innovative applications and websites using public data. QCDA has worked with the Department to publish data on salaries (including publishing individual salary information for your senior staff earning over £120K), the organisation and procurement. This requirement will continue as publication becomes embedded as a standard activity. QCDA should, as resources permit, continue to co-operate with transparency requests, ensuring data is submitted to deadline and in the required format.

*With every good wish,*  


**MICHAEL GOVE MP**

Cc:Glenys Stacey, Chief Executive, Ofqual  
Dr Vince Cable MP, Secretary of State for Business, Innovation and Skills.