

National Assembly for Wales
Bill Summary

Qualifications (Wales) Bill

January 2015

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Alys Thomas

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Qualifications (Wales) Bill

1. Introduction

Introduction date: 1 December 2014

Member in charge: Huw Lewis AM, Minister for Education and Skills.

Assembly Committee undertaking Stage 1 scrutiny of the Bill:

Children, Young People and Education Committee

Stage 1 reporting deadline: 13 March 2015.

The *Qualifications Wales Bill* ('the Bill') provides for the establishment of Qualifications Wales as the independent regulatory body responsible for the recognition of awarding bodies and the review and approval of non-degree qualifications in Wales.

The Bill is intended to address the four main limitations of the current system, which the Welsh Government outlines as:

- there is no single organisation that is dedicated to ensuring the effectiveness of qualifications and the qualification system;
- there are no powers to prioritise qualifications and to thereby focus regulatory activity where it is most needed;
- there are no powers to select a single provider of a given qualification to ensure that learners across Wales take the same qualification; and
- the capacity to drive forward the strategic development of qualifications within the current arrangements is too limited.

The Bill provides Qualifications Wales with the following principal aims, and it must act compatibly with these when exercising its functions:

- Ensuring that qualifications, and the Welsh qualification system, are effective for meeting the reasonable needs of learners in Wales; and
- Promoting public confidence in qualifications and in the Welsh qualification system.

2. Background

The *Qualifications Wales Bill* follows the Welsh Government's acceptance of Recommendation 5 of Huw Evans' Review of Qualifications for 14 to 19 year olds in Wales. However, the policy approach has evolved since the Welsh Government's initial response in December 2012 and has been informed by a due diligence review, a consultation exercise, and the Children, Young People and Education Committee's pre-legislative scrutiny.

It also part of the move away from a three-country model of qualifications regulation (with England and Northern Ireland) which the Welsh Government says is currently heavily reliant on the regulator in England, the Office of Qualifications and Examinations Regulation (Ofqual).

2.1. *Review of 14-19 Qualifications*

The Review of Qualifications for 14-19 year olds in Wales was launched by Jeff Cuthbert, then Deputy Minister for Skills, in September 2011. The Review Board, chaired by Huw Evans OBE, make **42 recommendations in its final report** [*Review of Qualifications for 14-19 year olds in Wales, Final Report and Recommendations*](#), published on 28 November 2012;

Recommendation 5 was that:

The Welsh Government should establish a single body (Qualifications Wales) that is responsible for the regulation and quality assurance of all non-degree level qualifications available in Wales. In time, Qualifications Wales should take responsibility for developing and awarding most qualifications for learners at 14 to 16.

For learners post-16, Qualifications Wales should develop and award most general qualifications and should also regulate qualifications from other awarding organisations. The Welsh Government and Qualifications Wales should work together to shape the national qualifications system for Wales and to rationalise and strengthen the processes for regulation and continuous improvement, learning from the model in operation in Scotland.

On [5 December 2012](#), Leighton Andrews, then Minister for Education and Skills, announced that he would accept the Review Board's **Recommendation 5 regarding the establishment of a new national qualifications authority, Qualifications Wales**. He also announced that Huw Evans would chair a task and finish group to look at the early delivery of this recommendation. The Minister provided further information in a statement on [7 February 2013](#).

On 29 January 2013 Jeff Cuthbert, then Deputy Minister for Skills said the Welsh Government broadly accepted all the Review Board's other 41 recommendations and subsequently published a detailed implementation plan: [*Review of Qualifications 14-19 timeline*](#).

2.2. Welsh Government consultation

The Welsh Government held a [consultation](#) between 1 October and 20 December 2013 outlining its plans to establish Qualifications Wales. A summary of responses were published alongside a [statement](#) by the Minister for Education and Skills, Huw Lewis, on 2 June 2014.

2.3. Committee Pre-legislative scrutiny

The Children, Young People and Education Committee undertook some pre-legislative scrutiny of the Welsh Government's proposals and published a [report of its findings and recommendations](#) in July 2014. The Committee's overarching recommendation was that the **forthcoming legislation to establish Qualifications Wales should be limited to giving it regulatory functions only** i.e. that **to extend its remit to include awarding functions in the future would require a separate Bill**.

The **Minister** announced in a [letter to the Committee Chair](#) on 17 July 2014 that he was **accepting the overarching recommendation**.

2.4. Other aspects of Huw Evans' Review and subsequent qualifications reform

The majority of recommendations in [Huw Evans's Review](#) focused on reforms to qualifications themselves and establishing a national qualifications system for Wales. These are listed on pages 7-17 of the Review's Final Report. These recommendations are being implemented through other work undertaken by the Welsh Government outside of this Bill.

Amongst others, the recommendations include:

- A **revised and more rigorous Welsh Baccalaureate Qualification (WBQ)** which will be at the heart of the new national qualifications system in Wales (to be in place from September 2015)
- New, **revised GCSEs in English Language and Welsh First Language** to align with the **increased emphasis on literacy** as a result of the new Literacy and Numeracy Framework (LNF).
- A revised **Mathematics GCSE**, and a new second **Mathematics Numeracy GCSE** to align with the **increased emphasis on numeracy** as a result of the LNF.
- **Retention of GCSEs** (New or revised specifications to be introduced in September 2016 in addition to those listed above)
- **Retention of A levels and AS levels** (with new or revised specifications)

- A stronger **gatekeeping process** for the **accreditation and approval** of 14-16 and 16-19 qualifications.
- Reduction and **simplification of the number of vocational qualifications** available.

The Welsh Government is generally moving towards a single specification for GCSEs and A levels, meaning that all pupils in maintained schools in Wales will sit the same qualification. [Information packs](#) designed for teachers, learners and parents, which were published in early November 2014 by the Welsh Government, stated that the **WJEC will be the sole provider of a number of qualifications available to the maintained sector**. The WJEC will provide a single specification for the new GCSEs in English, Welsh and Mathematics from September 2015 along with other revised GCSEs from September 2016, as well as revised A and AS levels from September 2015 and September 2016.

The Minister made a [statement on 4 November 2014](#), essentially providing a **summary update** on qualifications reform in Wales. The statement also referred to a [new website, *Qualified for Life*](#), which the Welsh Government [announced alongside a communications plan to inform learners, parents, teachers and stakeholders about the changes](#). The name of the new website, Qualified for Life is the same as the Welsh Government's new [Education Improvement Plan](#).

3. The Qualifications Wales Bill

There are 8 Parts to the Bill, which in total consist of 56 sections, and 4 Schedules.

Part 1 (section 1) provides an **overview of the main provisions** of the Act.

Part 2 (s2-3) **establishes the new body** as ‘Qualifications Wales’, stating its **principal aims** and the **matters to which it must have regard** when exercising its functions.

Part 3 (s4-12) makes provision for Qualifications Wales to **recognise bodies** who award qualifications in Wales.

Part 4 (s13-28) provides for Qualifications Wales’ **approval of qualifications** that may be publicly funded. This includes Qualifications Wales and the Welsh Ministers defining a list of **‘priority qualifications’**, circumstances in which Qualifications Wales may **‘restrict’ the number of forms** of any qualification available for public funding to **one or more**, and arrangements for Qualifications Wales to **approve one awarding body** to provide a single form of a qualification following an open, fair and transparent process.

Part 5 (s29-31) makes further provision on recognition and approval, **requiring education and training courses** for learners aged under 19 **to lead to a Qualifications Wales approved qualification** where those courses are publicly funded. Part 5 also **clarifies the roles** of Qualifications Wales and its English counterpart, **Ofqual**, so that there is **no duplication** of regulatory responsibilities.

Part 6 (s32-39) contains the **enforcement provisions** available to Qualifications Wales where awarding bodies have **failed to comply** with conditions of recognition or approval.

Part 7 (s40-49) makes provision about Qualifications Wales’ **other functions**, including review and research, a duty to prepare a policy statement and complaints procedures.

Part 8 (s50-56) makes **general provision**, including an index of defined terms used in the Act.

4. The Bill's purpose and intended effect

The Welsh Government identifies four main limitations of the current arrangements which it intends the Bill to address. Information in the [Explanatory Memorandum \(EM\)](#) regarding the purpose and intended effect of the Bill is structured around these four limitations.

4.1. *A single dedicated organisation*

The first main limitation the Welsh Government identifies is:

*There is **no single organisation that is dedicated** to ensuring the effectiveness of qualifications and the qualification system.*

- The two principal aims the Bill sets for Qualifications Wales underpin the Welsh Government's approach to overcoming this limitation.
- Qualifications Wales' **principal aims** (of ensuring qualifications and the qualification system meet the reasonable needs of learners and promoting public confidence) coupled with the eight **matters** to which it must have due regard, are **designed to ensure** that the **long-term benefit of Wales and its learners remains the focus of the organisation**.
- Section 48(1) of the Bill provides that Qualifications Wales must also have **regard to relevant Welsh Government policy**. The EM envisages that Qualifications Wales will have regular dialogue on policy with Welsh Government officials, for example regarding curriculum and skills, but asserts this will not undermine the **organisation's independence from the Welsh Government**.
- The Bill requires Qualifications Wales to submit an **annual report to the National Assembly**, which shall include how it has exercised its functions with reference to its principal aims and its proposed activities and priorities for the following year.
- While the Welsh Government will not determine Qualifications Wales' annual priorities or business plan, it will issue an **annual remit letter** (in a similar way as it does with Estyn). This will set out any particular areas of focus or activities to supplement its core functions as well as settling the **annual grant** to be paid to Qualifications Wales to perform its functions. The Welsh Ministers have powers under the Bill to also pay additional grants to Qualifications Wales.
- Due to the fact that Qualifications Wales will be funded by the Welsh public purse, there will be a **framework document** outlining its responsibilities to the Welsh Government (particularly its financial responsibilities). Oversight of these will be undertaken by a **sponsor unit** within the Welsh Government.

- **Schedule 1** of the Bill sets out further details of the **practical arrangements** for the new organisation such as membership, appointment of the chair and chief executive, and accounts and audit.

4.2. Prioritising qualifications

The second main limitation the Welsh Government identifies is:

*There are **no powers to prioritise qualifications** and to thereby focus regulatory activity where it is most needed – with the result that there are large numbers of regulated qualifications but limited resources to ensure effectiveness.*

Section 13 of the Bill places a duty on **Qualifications Wales and the Welsh Ministers to jointly agree and publish** a list of qualifications, or a description of qualifications, which are to be known as the ‘**Priority Qualifications List**’. Neither the EM or the Bill give specific details of what these priority qualifications might be, other than that Qualifications Wales and the Welsh Ministers:

must be satisfied that public confidence in it is a priority, because the qualification is particularly significant to the needs of learners and/or employers in Wales. (para 69, EM)

The EM adds that having a list of priority qualifications will enable Qualifications Wales to focus public resources most effectively on qualifications that are most significant, whilst also having the flexibility to consider whether or not to approve a non-priority qualifications.

One of the main significances of whether a qualifications is a priority qualification is that, **where a priority qualification is submitted** by a recognised awarding body for approval, **Qualifications Wales must consider whether to approve** the form of the qualification for public funding. For **non-priority qualifications, Qualifications Wales will not be obliged to** consider approving the qualification, provided the decision to do so is clear and in accordance with its published decision-making process.

Where a qualifications is a priority qualification, Qualifications Wales will be able to **restrict** the number of forms of that qualification available for public funding in Wales to one or more.

4.3. Restricting qualifications to one or more forms and approving a single provider

The third main limitation the Welsh Government identifies is:

*There are **no powers to select a single provider of a given qualification** to ensure that learners across Wales take the same qualification.*

The Welsh Government has signalled for some time that it wants to move towards a **single specification** of qualifications such as GCSEs and AS and A levels. For

example, the Minister for Education and Skills told a national qualifications conference in Cardiff on 11 December 2013¹ that, in respect of the new English/Welsh Language and Mathematics GCSEs, and revised English/ Welsh Literature GCSEs:

The new GCSEs will be the **only game in town** for these subjects from September 2015 - no other versions will be approved for public funding in Wales. [my emphasis]

Section 14 of the Bill provides for Qualifications Wales to assign qualifications to a category known as **'restricted priority qualifications', the numbers of forms of which may be restricted to as few as one**. For example, Qualifications Wales may determine that it will only approve one form of GCSE English language, meaning this would be the only version available for public funding in Wales. In making such a determination, Qualifications Wales **must be satisfied** that it is desirable in light of its principal aims and the following **two objectives**:

- To avoid inconsistency between different forms of the same qualification (this could include the level of attainment they indicate).
- To enable Qualifications Wales to exercise choice between different awarding bodies who may want to develop a new form of the qualification or between different forms of qualifications submitted for approval.

The EM observes that Wales, England and Northern Ireland are unusual amongst European countries in having a market structure for qualifications taken by young people in schools and colleges. Through this part of the Bill, therefore, the Welsh Government wants to **remove the qualifications market in maintained schools for certain qualifications where considered appropriate**. The EM highlights the challenge of ensuring parity between different forms of qualifications, inefficiencies created by the need to demonstrate consistencies and the scope for perceptions that some forms of the same qualifications sat by some young people are 'easier' than those sat by others.

In summary, the Welsh Government believes the introduction of a Priority Qualifications List and, within that, a list of restricted qualifications, will contribute to the **simplification of the qualification system**. For some types of subjects, this will mean a single suite of qualifications. The Minister had argued in his speech in December 2013:

Whichever awarding bodies undertake the work, we are moving towards a single suite of GCSEs. Every learner in Wales taking a subject at GCSE will be working to the same specification and taking the same assessments. This will help to simplify the qualifications system, in line with the Review's recommendations. With just one GCSE per subject area, Qualifications Wales will be able to concentrate more time and resources on making sure

¹ Huw Lewis, Minister for Education and Skills, [*Speech to Delivering a National Qualifications System for Wales conference*](#), Swalec Stadium, Cardiff, 11 December 2013

that the quality of our GCSEs is world class, that assessment is rigorous, that grades are fair and that providers get the support they need.

The Bill sets out a **commissioning type model**, providing for Qualifications Wales to enter into arrangements with an awarding body to develop a new form of a restricted priority qualification, with a view to approving it. Where Qualifications Wales does not actually enter into arrangements with an awarding body to develop the qualification, it may still decide between different forms of a qualification that are submitted to it.

The Bill therefore provides for a process where awarding bodies compete with each other to be selected by Qualifications Wales as the provider of a given qualification. The Explanatory Notes (paragraph 38) to section 17 refer to a 'competitive process' to 'select the approved qualification(s)'

The Bill requires that, in making its **selection of an awarding body with which to work, or a form of qualification to approve**, Qualifications Wales must do so in an '**open, fair and transparent**' procedure set out in a published scheme. Qualifications Wales must also inform each recognised awarding body that it intends to restrict a priority qualification and undertake such a process of selection.²

Whilst the decision on what is a priority qualification will be taken jointly with Welsh Ministers, the decision **whether a priority qualification is restricted** or not will be for **Qualifications Wales alone**. Qualifications Wales will also have the decision over **which awarding body**, or bodies, are able to provide the form(s) of qualification(s) eligible for public funding in Wales. The EM anticipates that Qualifications Wales will need to take appropriate steps to have a separate system for its functions of commissioning and approvals but that the Bill sets out a range of powers and corporate structures enabling it to do so.

In the EM, the Welsh Government argues that:

Where Qualifications Wales thinks that is appropriate to do so it is possible to take Wales' qualifications system from being supply-led, to demand-led; ensuring that having a reduced number of better qualifications available provides value for money and enables a simplicity of choice for centres and learners that better meets the needs of learners and the economy. (para 83)

The Welsh Government also envisages that:

Enabling Qualifications Wales to enter into arrangements with awarding bodies to develop a qualification will ensure that the development of qualifications in Wales can be tailored to its

² Annex B to the EM (paras 69-70) explains it is assumed that WJEC will be the single provider in respect of general qualifications, where these are restricted, until September 2020 at the earliest. The next review period, where the new commissioning approach can be introduced, is therefore 3-4 years away.

economic and educational needs, whilst robustly comparing with equivalent qualifications in neighbouring and further countries. (para 84)

The inference is that the commissioning model for restricted qualifications is more likely to be adopted for academic than vocational qualifications with the EM anticipating that:

While some vocational qualifications will continue to exist in a multi-provider market, Qualifications Wales may determine that for others a single suite approach is most appropriate. (para 87)

However, the Minister told the Children, Young People and Education Committee on 11 December 2014 there was no reason to distinguish between academic and vocational qualifications and that Initial Vocational Education and Training (IVET) courses were one of the obvious candidate areas for prioritising and possibly restricting qualifications.³ He also said in Plenary on 2 December 2014 that he envisaged Qualifications Wales being very active in the vocational field.⁴

4.4. Enhancing the capacity to strategically develop qualifications

The fourth main limitation the Welsh Government wishes to address is:

*The capacity to drive forward the **strategic development of qualifications** within the current arrangements is **too limited** – creating a risk that Wales’ qualifications will not be held in as high esteem, nationally and internationally, as those in other nations.*

Section 41(3) provides for Qualifications Wales to carry out **research** on any matter connected with qualifications and the Welsh Government says this will inform development of regulatory policy and promotion of best practice. The EM (page 22) includes a **diagram** setting how the Welsh Government envisages Qualifications Wales’ functions will interrelate. In this diagram, there are four elements to Qualifications Wales’ work:

- Monitoring and Quality Assurance
- Strategic Policy and Research
- Qualifications Development and Commissioning
- Recognition and Approval

The EM describes these four elements as producing a **cycle under which each informs the others**, but with a **separation of duties** between qualifications development and commissioning, and recognition and approval. This reflects the **need for Qualifications Wales to manage its own internal processes and structures to separate the commissioning and approval process**. During its

³ National Assembly for Wales, Children, Young People and Education Committee, [RoP\[para56\]](#), 11 December 2014

⁴ National Assembly for Wales, Plenary, [RoP\[15:43\]](#), 2 December 2014

pre-legislative scrutiny in May 2014, the Committee heard from the Scottish Qualifications Authority (SQA) about similar demarcations between the operation of its functions.

The Welsh Government recognise the importance of **portability** and paragraph 95 of the EM sets out how the Welsh Government believes Qualifications Wales' powers under the Bill and its involvement of stakeholders will ensure qualifications produced and awarded in Wales '**positively compare**' with those in **the rest of the UK** and elsewhere'.

The Bill provides Qualifications Wales with functions to recognise awarding bodies and award qualifications that apply to any academic or vocational qualification awarded in Wales, other than degrees. Qualifications Wales will set criteria and must recognise awarding bodies who satisfy this. There are two types of recognition. Section 8 provides for Qualifications Wales to give **general recognition** to an awarding body, whilst section 9 provides for an awarding body that is already generally recognised to receive **specific recognition** in respect of a particular qualification or description of qualifications.

Where awarding bodies seek **approval for particular qualifications**, there is a different process to be followed depending on whether they are restricted priority, non-restricted priority, or non-priority, qualifications. If a qualification is a restricted priority qualification, Qualifications Wales will undertake the commissioning type process outlined in section 4.3 above. If it is a priority but is non-restricted, Qualifications Wales must consider whether to approve it or not and must publish approval criteria on which it will base its decision. For non-priority qualifications, Qualifications Wales will be able to decide whether or not to even consider it for approval but must publish a scheme setting out the factors it is likely to take into account.

The Bill gives Qualifications Wales the power to apply **conditions** to its approval of qualifications, with provision for **enforcement** of those conditions. The EM highlights that there are also 'detailed provisions' for the **withdrawal of recognition from a body or withdrawal of the approved status for a qualification**, including 'numerous safeguards on the face of the Bill' (para 94). The Welsh Government says that the powers available to Qualifications Wales in respect of conditions of approval mean that the new organisation will be able to '**more robustly require improvements** to be made than under the current regulatory regime' (para 107).

Neither the Bill nor the EM give much detail on specifically how Qualifications Wales will be able to adopt a more strategic approach to vocational qualifications. In his response to the Committee's pre-legislative scrutiny, issued in July 2014, the Minister agreed that this was important and said Qualifications Wales would have such a role. Whilst this could be arguably be covered by its principal aims, there is no specific detail of what this will involve.

5. Financial Implications of the Bill

A Regulatory Impact Assessment (RIA) is contained within the Explanatory Memorandum (EM), and this is supported by a separate methodology document that details the calculations, assumptions and sources behind the costs and savings. This is provided as Annex B to the EM. This presents the three options considered for the Bill (of which one has two sub-options), along with the costs of each option and an assessment of how far it meets the Bill's aims. **All costs of the Bill that are outlined in the RIA will fall to the Welsh Government.** The RIA mentions that there may be some minor costs to awarding bodies who seek approval for non-priority qualifications, as Qualifications Wales would be able to exercise a right to recover its costs. However, the RIA states that it has not been able to estimate these costs as they are for Qualifications Wales to determine and are not expected to be significant.

The annual estimated cost of option 1a, the 'do-nothing' option where Welsh Ministers maintain their regulatory function under current arrangements is £4,006,000, so this is the cost of maintaining existing arrangements.

However, in the context of gradual movement away from the three-country model of working to regulate qualifications across Wales, England and Northern Ireland, the Welsh Government presents **option 1b as the realistic 'do-nothing' approach,** as this would involve additional costs associated with additional regulatory staff to strengthen this function, greater research activity and qualifications commissioning. **Therefore, the Welsh Government considers that this would cost £5,078,000 in 2015-16, with ongoing annual costs of £5,302,000 from 2016-17.**

Option 2 would create an independent Commissioner role and office to scrutinise the activity of an independent regulatory unit set up within the Welsh Government that reports to a different Minister, along the lines of the Care and Social Services Inspectorate Wales. **The Welsh Government states that this option would cost £7,766,000 in 2015-16, with ongoing annual costs of £7,243,000 from 2016-17.**

Option 3 (the preferred option) to create Qualifications Wales as an arm's length regulatory body, is the most expensive of the potential options, costing £9,412,000 in 2015-16 and has ongoing annual costs of between £8.1 million and £8.3 million between 2016-17 and 2019-20.

The RIA acknowledges that there is a high additional cost associated with the preferred option, and notes the Cabinet's view that this is the justifiable expense associated with having an independent qualification system in Wales.

5.1. Total and additional costs of the preferred option

Table 1 provides a summary of total and additional costs that will result from implementing the legislation. Further details of the estimated costs are set out below the table. It can be seen that:

The RIA states that the total cost of the Bill is **£42 million between 2015-16 and 2019-20, or £38 million in present value terms** where a discount rate of 3.5% has been applied.

The total additional costs of the Bill between 2015-16 and 2019-20 are £22 million if option 1a is the baseline figure, or £15.7 million if option 1b (the realistic status quo) is the baseline figure.

The Minister for Education and Skills stated in evidence to the Children, Young People and Education Committee that **the Bill will be funded from existing resources**, and that there is no extra allocation to the Education and Skills Main Expenditure Group for its provisions.⁵ **Looking at benefits, as with most Bills these are not quantified** as the RIA states that there are no **direct** financial benefits associated with the preferred option. In the longer term, the trading arm that will be established as part of Qualifications Wales will enable it to generate its own income. However, the RIA has assumed that Qualifications Wales will receive 100% of its funding via Welsh Government grant-in-aid for the first five years.

⁵ National Assembly for Wales, Children, Young People and Education Committee, [RoP\[para 118\]](#), 11 December 2014

Table 1: Total and additional costs of legislation, 2015-16 to 2019-20

Costs	2015-16	2016-17	2017-18	2018-19	2019-20	Total
Set-up costs						
Revenue costs						
Cost of project to effect organisation	1,202,000					1,202,000
Staff - Corporate	240,000					240,000
Staff - non-pay	294,000					294,000
Premises	232,000					232,000
ICT	580,000					580,000
Capital costs						
ICT	664,000					664,000
Fixtures and Fittings	226,000					226,000
Total set-up costs	3,438,000					3,438,000
Operating Costs						
Revenue costs						
Staff - Corporate	869,000	1,490,000	1,490,000	1,490,000	1,490,000	6,829,000
Staff - Qualifications Functions	1,862,000	2,422,000	2,422,000	2,422,000	2,422,000	11,550,000
Staff - Non-pay	95,000	163,000	163,000	140,000	123,000	684,000
Staff - Sponsor Unit	102,000	203,000	203,000	203,000	203,000	914,000
Premises	436,000	748,000	748,000	748,000	748,000	3,428,000
ICT	0	326,000	326,000	326,000	326,000	1,304,000
Other, Legal and Professional	180,000	306,000	306,000	306,000	306,000	1,404,000
Capital costs						
ICT	0	0	0	178,000	0	178,000
Other costs						
Depreciation	50,000	86,000	86,000	86,000	86,000	394,000
Qualifications Wales Programme Spend	2,380,000	2,380,000	2,380,000	2,380,000	2,380,000	11,900,000
Total operating costs	5,974,000	8,124,000	8,124,000	8,279,000	8,084,000	38,585,000
Total costs	9,412,000	8,124,000	8,124,000	8,279,000	8,084,000	42,023,000
Additional costs compared to option 1a	5,406,000	4,118,000	4,118,000	4,273,000	4,078,000	21,993,000
Additional costs compared to option 1b	4,334,000	2,822,000	2,822,000	2,977,000	2,782,000	15,737,000

Source: Research Service calculations from National Assembly for Wales, [Explanatory Memorandum – Qualifications Wales Bill](#)

5.2. *Staff costs*

The majority of the additional costs associated with the Bill relate to staff costs. These are for staff delivering qualifications functions, corporate staff, and for the sponsor unit. It is anticipated that Qualifications Wales will employ **73 members of staff, and that staff costs (including non-pay costs such as training and recruitment) will be just under £3.5 million in 2015-16 and between £4.2 million and £4.3 million per year ongoing from 2016-17.** This compares to the current annual costs incurred of £1.6 million for the 37 existing members of Welsh Government staff, giving total additional costs of around **£12.4 million against 'do-nothing' option 1a. These are made up of just over £1.8 million in 2015-16 and between £2.6 million and £2.7 million in ongoing annual costs from 2016-17.** If option 1b is used as the 'do-nothing' baseline to measure additional costs against, there would be additional staffing costs of **£6.7 million, made up of £1.1 million in 2015-16 and ongoing costs of £1.4 million from 2016-17.**

5.3. *Costs of premises*

Costs associated with premises are also a significant component of the additional set-up and ongoing costs of the Bill. The preferred option has total **additional costs of just under £3.7 million, made up of additional costs of £668,000 in 2015-16, and £748,000 per year from 2016-17 onwards.** These additional costs cover rent, utilities, business rates, repairs and maintenance and administration costs, and are based on industry average costs.

5.4. *ICT costs*

The other major source of additional costs are ICT costs, most of which are one-off set-up costs. Annex B to the RIA states that the Welsh Government undertook a detailed scoping study of capital set-up costs, and obtained budgetary quotations. Further work has also been undertaken on the systems and hardware for the preferred option, and it is possible that these costs will need to be revised once a detailed survey of the new premises is undertaken by telecommunications providers.

Compared to option 1a, the total additional ICT costs of the Bill are **£2.7 million, comprised of just under £1.25 million in 2015-16, £326,000 in 2016-17, 2017-18 and 2019-20 and £504,000 in 2018-19.** Compared to option 1b, the total additional ICT costs of the Bill are **£2.1 million, comprised of just under £1 million in 2015-16, £250,000 in 2016-17, 2017-18 and 2019-20 and £425,000 in 2018-19** (due to costs of fees associated with hosting and licensing being incurred every three years).

6. Response to the Bill

In a statement to [Plenary](#) on 2 December 2014 the Education and Skills Minister, Huw Lewis AM stated:

In creating Qualifications Wales, I am delivering against my commitments, first, to independent regulation, secondly, to the strengthening of regulation, and, thirdly, to the simplification of the qualifications system in Wales.

He further commented:

Qualifications are, essentially, all about confidence: confidence for learners that they have achieved what they set out to achieve, confidence for universities and other learning providers that they are taking on learners ready and able to progress to higher learning, and confidence for employers that future employees possess, and are able to demonstrate, the skills that they need to succeed in the workplace.

The new body will have two principal aims in relation to qualifications and the qualifications system in Wales. The first is to ensure that they are effective for meeting the reasonable needs of learners. The second is to promote public confidence. In delivering these principal aims, the new body must also have regard, among other things, to eight vitally important matters. These relate to the Welsh economy, the Welsh language, the needs of employers, higher education providers and the professions, and the comparability of qualifications in Wales and beyond. The matters also include the efficiency of provision, the interrelationship of bodies within the qualifications system, the range and nature of available qualifications, their assessment arrangements, and the knowledge, skills and understanding required. Critically, this final matter means that Qualifications Wales is expected to consider the content of qualifications and not just how well they are put together or assessed.

The Conservative spokesperson, Angela Burns broadly welcomed the Bill but disagreed on one issue:

Minister, thank you very much indeed for bringing this before us. Like you, I share an ambition to ensure that our Welsh students get the best possible curriculum choices and qualifications that we can take forward in an international marketplace, and I am delighted to see that there is much in this Bill that I would be able to commend to my colleagues in the Welsh Conservatives and much that I know you and I have a shared vision on. There is one area where I would have to disagree with you [...]

[...] The area that I do not share your view on is your long-term ambition that Qualifications Wales should be the regulation authority as well as the awarder. I have always stated that I think that they should be separate functions, and I hope that, as we flesh out this Bill, either you will be able to provide me with overwhelming evidence that would make me change my mind, or I will be able to show you and others why we believe that it is so important that you should have those two functions separate, because then we can truly monitor, benchmark and drive in a very clear and transparent way forward.

The Minister replied:

[...] yes, it does remain my intention that Qualifications Wales should evolve into an awarding body. For that, however, further primary legislation would be needed. It is very much my intention—well, my contention—that, in order for Wales to stand on its own two feet and to have a truly stable system, particularly as our education system becomes ever more distinctive, we need a self-contained model, which would be more in line with that in Scotland than the one that we presently have. However, first of all, we are establishing this regulatory body, allowing it to develop its expertise and a clear understanding of the effective features of awarding bodies, and the body itself will offer advice in terms of the next steps over time.

Simon Thomas AM, the Plaid Cymru spokesperson, said:

I was pleased to hear the Minister confirm that we will need further primary legislation before this body, Qualifications Wales, can become an awarding body. Although I am not opposed to having a single awarding body of this nature in Wales—and, indeed, as the Minister said, it does work in Scotland—I think it is extremely important that we first see how Qualifications Wales performs and benchmarks for qualifications in Wales in the future, and in particular that the new body should learn to walk before it runs, as it were.

He further added:

I agree with that part of the statement that says that qualifications are essentially about confidence—confidence in the ability to take an exam; confidence in the content of the exam; confidence in the content of the curriculum; and confidence in the way that the examination process is undertaken. The major thing missing—and this was reflected in the report drawn up by the Assembly’s outreach team over the summer with young people—is the confidence and belief of young people in qualifications in Wales, and in the likelihood of some of those qualifications being accepted beyond Wales. In a context where qualifications are changing throughout Britain, how is the Government going to publicise these new qualifications and ensure that confidence remains among parents, pupils, the profession and employers?

The Liberal Democrat spokesperson. Aled Roberts AM stated:

[...] the explanatory memorandum refers to cross-border difficulties. Is it possible for you to expand on your discussions with the British Government regarding cross-border issues, and do you anticipate that the existing regimes appertaining to the arrangements between England, Wales and Northern Ireland, in terms of the regulators, will continue?

The Minister responded:

In terms of Aled’s questions around the cross-border issues, he is quite right to throw that up as a concern. There will be provision within the Bill for making absolutely clear what the relative roles of Ofqual and Qualifications Wales actually are, to make it clear for us in Wales and to send a very clear signal also to Ofqual about exactly what Ofqual’s purpose is in relation to the UK. There should be no doubt in the minds of those who manage Ofqual that devolution is a reality and that they should accommodate themselves to it. That is not to rule out, of course—in fact, it will be necessary—our working alongside Ofqual, particularly in terms of ensuring that there is good portability of qualifications across borders.

Dr. Philip Dixon, Director of [ATL Cymru](#), has said:

The establishment of Qualifications Wales is welcome for several reasons. It will be an independent regulator able to convince other parts of the UK that our qualifications are of high quality. It will conduct in depth research into the best thinking concerning qualifications today. It will ensure that youngsters in Wales get qualifications that will open doors for them in the future. Above all it should mean an end to the exam fiascos that learners have had to endure over the last two years. The abolition of the old independent regulator, ACCAC, was a silly move; this bill is a welcome correction. It is also pleasing to note that Qualifications Wales will not be receiving powers to award qualifications - that would have blurred a boundary that needs to be very clear at the present time. We hope that Qualifications Wales will quickly build up a reputation of listening to teachers and learners about their needs and aspirations.