



**Office of Qualifications and  
Examinations Regulation (Ofqual)  
Supplementary Estimate 2017/18**

Memorandum to Education Select Committee



**January 2018**

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## **Introduction**

1. The purpose of this memorandum is to provide the Education Select Committee with additional information about the 2017/18 Supplementary Estimate for Ofqual. The memorandum includes information on Ofqual's key activities and outlines the changes to budget control totals resulting from the Supplementary Estimate.

## **Key Activities Supported by the Provision**

2. Ofqual continues to deliver a comprehensive programme of work to fulfil our statutory objectives in 2017/18. Ofqual has five statutory objectives, as set out in the Apprenticeships, Skills, Children and Learning Act 2009:
  - (1) To secure qualifications standards.
  - (2) To promote National Assessment standards.
  - (3) To promote public confidence in regulated qualifications and National Assessment arrangements.
  - (4) To promote awareness of the range and benefits of regulated qualifications.
3. Our goals and activities underpinning these objectives are summarised below; further details are found in our Corporate Plan 2017-2020<sup>1</sup>.

### **Goal 1 Regulating and reforming general qualifications**

- Objective 1 Regulate for the validity of general qualifications
  - Objective 2 Oversee reform of general qualifications
4. We regulate GCSEs, AS and A levels so that they are sufficiently valid, worthy of public confidence, produce fair and reliable results and have a positive impact on teaching and learning. We also regulate some of the qualifications that are taken as alternatives to GCSEs and A levels. In delivering Goal 1, we are regulating general qualifications, completing the GCSE, AS and A level reform program, and evaluating the quality of the reformed qualifications.

### **Goal 2 Regulating and reforming vocational and technical qualifications**

- Objective 3 Regulate to support the reform of vocational and technical qualifications
  - Objective 4 Regulate for the validity of vocational and technical qualifications
5. We regulate vocational and technical qualifications so that they are sufficiently valid and worthy of public confidence. We take a risk-based approach to ensure that our resources are targeted effectively. In delivering Goal 2, we are regulating existing qualifications and taking steps to regulate newly reformed qualifications and assessments as they are introduced. The programme of reform is broad, including functional skills qualifications, new apprenticeship standards and reform

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<sup>1</sup> [Ofqual Corporate Plan 2017-2020](#)

to technical education, as set out by government in the post-16 skills plan. As outlined in our Main Estimate, we are not funded to undertake this scale of reform and have therefore agreed additional programme funding from the Department for Education. This additional funding forms part of our Supplementary Estimate.

### **Goal 3 Keeping the validity of National Assessments under review**

- Objective 5 Monitor and evaluate the validity of National Assessments
6. We are continuing to monitor the validity of National Assessments, and take action where we identify threats to sufficiently valid assessments. Our programme of work will adjust accordingly in light of Standards and Testing Agency consultations on changes to National Assessment arrangements, the outcome of our consultation on a proposed regulatory framework and to the outcome of the Education Select Committee inquiry into primary assessment.

### **Goal 4 Develop and manage our people, resources and systems**

- Objective 6 Build our capability and manage our resources efficiently and effectively
7. To enable our work, we are continuing to build our capacity and develop our people. We are ensuring that we make the best use of public money through effective use of technology; capital funding is included in our Supplementary Estimate to enable investment in digital infrastructure and equipment. We are also taking further steps to make our data more accessible to others.

## **Departmental Control Totals**

8. The total voted Departmental Expenditure Limit (DEL) for 2017/18, as set out in the Main Estimate, is £17.7m. The 2015 Spending Review, covering the period 2016 to 2020, set our core administration funding at £15.3m for 2017/18, reduced from £15.5m in 2016/17. Over the 4-year Spending Review period, our level of administration funding will reduce by £1.1m. We continue to actively manage this reduction through efficiency savings and maintaining tight management controls to reduce our expenditure.
9. The Supplementary Estimate includes transfers from Resource DEL to Capital DEL to support digital investment and from Resource DEL to Annually Managed Expenditure (AME) to establish a provision for building-related costs anticipated in 2018. The income budget has also been uplifted to reflect recovery of the salaries and associated costs for seconded staff.
10. Specific programme funding reduced from £4m in 2016/17 to £2.4m in the 2017/18 Main Estimate. New programme funding to support Functional Skills Reform (£0.5m) and Apprenticeships Reform (£0.2m) has been secured from the Department for Education and is included in the Supplementary Estimate.
11. At the point of preparation, Ofqual has no contingent liabilities.

12. The 2017/18 Supplementary Estimate is summarised below with 2017/18 Main Estimate and the 2016/17 Final Estimate for comparison:

	<b>Final Estimate 2016/17 £m</b>	<b>Main Estimate 2017/18 £m</b>	<b>Supple- mentary Estimate 2017/18 £m</b>	<b>Change in 2017/18 Estimate £m</b>
Core Activities	15.7	15.4	-0.3	15.1
Income	-0.1	-0.1	-0.2	-0.3
Programme Activities:				
National Reference Test	2.3	2.0	-	2.0
A Level and GCSE Reform	1.5	0.4	-	0.4
Functional Skills Reform	0.1	-	0.5	0.5
Apprenticeships Reform	-	-	0.2	0.2
IT Transformation	0.2	-	-	-
Depreciation (ring-fenced)*	0.0	0.0	-	0.0
<b>Resource DEL</b>	<b>19.7</b>	<b>17.7</b>	<b>0.2</b>	<b>17.9</b>
Digital Infrastructure and Equipment		0	0.3	0.3
<b>Capital DEL</b>	<b>0</b>	<b>0</b>	<b>0.3</b>	<b>0.3</b>
<b>Total DEL</b>	<b>19.7</b>	<b>0</b>	<b>0.5</b>	<b>18.2</b>
Movement in Provisions		0	0.2	
<b>Total AME</b>	<b>0</b>	<b>0</b>	<b>0.2</b>	<b>0.2</b>
<b>Total Managed Expenditure</b>	<b>19.7</b>	<b>17.7</b>	<b>0.7</b>	<b>18.4</b>
<b>Net Cash Requirement</b>	<b>19.6</b>	<b>17.6</b>	<b>0.5</b>	<b>18.1</b>

*\*At £10,000, depreciation is below the rounding threshold for this Memorandum*

## Accounting Policies

13. Ofqual has reviewed the capitalisation threshold in our fixed asset policy, backdated to 1st April 2017. The change has been accounted for in the transfer to Capital DEL included in this Supplementary Estimate.

## Ofqual Accounting Officer

14. This memorandum has been prepared with reference to the guidance in the Estimates Manual published by HM Treasury.

15. The Accounting Officer retains personal responsibility for the content of the memorandum. Formal approval has therefore been obtained prior to submission to the Select Committee.