



Christine Chapman AM
Chair, Children and Young People Committee
National Assembly for Wales
Cardiff

16 January 2013

Dear Christine

“Qualifications Wales” – statement and related questions, 8th January

In my earlier letter of 11 January, I indicated that we were in the process of compiling a summary of those issues relevant to the 14-19 Qualifications Review, and “Qualifications Wales” specifically, which we consider to require clarification because of some lack of precision in the way they were handled in the public domain last week.

Whilst an interesting breadth of issues was raised during the plenary questions which immediately followed the Welsh Government statement of 8th January, it seemed that the nature of the session (and possibly its timing) did not yield an appropriate depth of information on a number of key issues. As a consequence, there is potential for some stakeholders to be unclear and possibly misinformed on several matters. In order to clarify some of these issues for the benefit of your Committee and others, I attach a brief commentary on some key themes, in a form which will hopefully be a constructive contribution to the progress which needs to be made.

Through the nature of our work as an awarding organisation, we have a profound professional concern about the reputation of qualifications – and the regulatory function is a key element in upholding that reputation. In last summer’s consultation on the first report of the Review of 14-19 Qualifications, there was one question which related to regulation. At a conference in November, the Chair of the Review Board referred to regulation as one of several “holding pen issues” which had been added to his Board’s initial brief and said that this was not a matter which had been considered in depth. And yet, it seems that we have suddenly arrived at a point where Welsh Government is embarking on a due diligence exercise on one regulatory model only, with a target implementation date of September 2015 for a new organisation, “Qualifications Wales”, which is also to fulfil awarding functions.

WJEC’s view is that the principle of keeping regulatory and awarding functions independent of each other is an important one, especially so in the context of several mainstream qualification brands in Wales being shared with England and Northern Ireland, currently and for the immediate future. We also understand that there are technical/legal issues that are likely to emerge which make it important that such an option is kept open. Your Committee may therefore wish to consider whether, within its scrutiny role, it should review the appropriateness of the proposed due diligence exercise for “Qualifications Wales”, and in

doing so consider whether it would be more appropriate for the merits of the two most obvious models to be explored, i.e. one in which regulatory and awarding functions are undertaken by separate organisations, and one in which these are brought together within a single entity.

In order to keep overall system risk to an acceptable level, we consider that the following are amongst the most fundamental steps that should be taken within the overall process:

- (1) determine the role to be retained by the Welsh Government (for policy in relation to curriculum and skills and in relation to the overall qualifications framework), and define the role that is hence required of a regulator
- (2) determine the arm's length status that is appropriate for a regulatory organisation, "Qualifications Wales", that can fulfil the regulatory functions which government allocates to it
- (3) set up that organisation, "Qualifications Wales", as a regulator in the first instance, as suggested by Huw Evans in discussion with your committee on 9th January, in order to deliver as early as possible the benefits that arise from strengthening regulation and separating it from government
- (4) progress the 14-19 qualifications development agenda as a five-year process as mapped out by the Huw Evans report
- (5) towards the end of this period, review the appropriateness of moving to a situation in which the regulatory organisation, "Qualifications Wales", also awards at least some of the 14-19 qualifications that are needed in Wales.

If further clarification would be helpful, I would be very pleased to meet with you, and with other committee members if you think appropriate.

Yours sincerely

Gareth Pierce
Chief Executive

“Qualifications Wales” – statement and related questions, 8th January 2013

WJEC aide-memoire on some issues which require clarification

1. Future Regulatory Arrangements in Wales, including timing of change

There appears to be a very strong consensus around the Minister’s proposal that qualifications regulation in Wales should be “strengthened and separated from government”. Key issues requiring clarification would therefore seem to include the nature of an arm’s length body that would fulfil the regulatory function, the extent of externality, and the timeline to which such an organisation can be set up so that it plays a role in taking the agenda forward.

“Arm’s length” (*referred to in a question and reply*): In responding to a question about “how much of an arm’s length organisation” is envisaged, reference was made to “elbow-length organisations” and to the detail not yet having been addressed, in terms of “whether this would be developed through a remit letter or otherwise”. In fact, this is one of the most fundamental issues that need to be addressed, as it provides a reference point for the due diligence exercise. Three well-known variants of arm’s length organisations are Executive Agencies (with responsibility for a business area, but part of, and accountable to, the government department); Special Authorities (independent bodies, but can be subject to ministerial direction); and Non-departmental Public Bodies (having a role in the process of national government, but are not part of a government department). Identification of the optimal form of “arm’s length” organisation to fulfil qualifications regulation responsibilities as defined by the Welsh Government would seem to be a necessary precursor to considering the possibility that such an organisation would also undertake awarding functions.

“Externality” (in the delivery of quality assurance - *referred to in a question*): The reply to the question referred only to “external advice in the development of the quality-assurance arrangements”. However, externality of the quality assurance (or regulatory) work itself is a different matter, and is closer to what is referred to in recommendation 3 of the final report of the 14-19 Qualifications Review, i.e. “independent verification of standards”.

“Qualifications Wales ... lead role in taking this agenda forward” (*referred to in the statement – final paragraph*): It is stated in the final paragraph of the statement that “Qualifications Wales will be well placed to play a leading role in taking the agenda forward”. However, if it is not set up until autumn 2015 (as an organisation that is also able to undertake awarding functions), all proposed qualifications to be trialled in 2014 as well as those for first teaching from 2015 and 2016 will have been designed, developed and accredited before Qualifications Wales is in existence. Unless it is set up to a shorter timeline, as a regulatory body in the first instance, it seems that Wales will not have the benefit of a regulator that is strengthened and separated from government until much of the development agenda is completed. This would also mean that three further summer award cycles for GCSEs and GCEs (2013, 2014, 2015) would need to be completed under current arrangements, i.e. with the Welsh Government as regulator.

2. Development and current/imminent issues relating to 14-19 Qualifications

Whilst future regulatory arrangements in Wales are being considered, a challenging development agenda is set out in the recent report, and there are some key issues relating to current qualifications (A Levels and GCSEs) which require resolution.

"remaining 41 recommendations" (*referred to in the statement – 2nd para*): The Welsh Government response to these proposals will confirm the direction of travel, and given the priority which we place on Wales' needs within our mission, WJEC has a particular interest in contributing to this work. In December, we shared with Welsh Government officials our initial observations on these recommendations, and for nearly all of them we have identified actions which WJEC needs to take. We consider that the highest priority development themes include literacy, numeracy and digital literacy qualifications; the Welsh Baccalaureate framework; and the proposed Initial Vocational Educational Training (IVET) qualifications. In each of these areas, our view is that substantial work is needed in order to take the outline proposals offered in the final report of the 14-19 Qualifications Review through to a set of deliverables that will best serve the needs of learners in Wales.

"A Levels" (*referred to in the statement – 3rd para*): It is suggested in the statement of 8th January that "current (three-country) arrangements and structures are becoming untenable" and yet recommendation 25 of the final report of the 14-19 Qualifications Review suggests that Wales should "maintain the same A Levels as England and Northern Ireland where possible". The next cycle of A Level developments is potentially imminent, and is already under discussion in England with a view to new specifications being available for teaching from September 2015 at the latest. It is therefore essential that the position for Wales is clarified urgently by Welsh Government in order to avoid uncertainty for learners who are considering A Level courses as their progression route, and to provide guidance to those who develop and deliver these qualifications.

"Grade Boundaries" (in the context of "issues that led to the situation in August" - *referred to in a question and reply*): It was indicated in a reply that in relation to this year, "conversations continue with other regulators" and that the issue has been resolved for 2014 by having "a new basis for the English exam". However, it is essential to the interests of learners in Wales that comparability of standards continues to be a major consideration for awarding organisations and regulators, and clarity is needed on how the regulator for Wales (currently the Welsh Government) proposes to engage with that, for GCSE English Language as well as for other GCSEs and GCEs. In order to encourage an early conclusion to discussions relating to GCSE English Language, WJEC wrote to the Minister on 8th January seeking assurances by 29th January on four matters relating to assessment and awards in this subject for the January and June series, 2013.

3. Models for “Qualifications Wales”

Arrangements in Scotland clearly merit detailed exploration, but it would not seem appropriate at this stage for Wales to restrict itself to consideration of just one model. Although alternative proposals may not have had much attention recently, there is one arrangement (described below) which may be relevant for Wales in the short term as well as possibly for a longer term.

"Proposals" (better proposals not having been heard from anyone else - *referred to in a comment preceding a question*): The alternative proposal, which could well prove to be better suited to Wales' needs, is more transparent and has a more straightforward implementation pathway, is based on defining three independent sets of responsibilities and functions: (i) governmental responsibilities, for policy in relation to curriculum and skills and in relation to the overall qualifications framework; (ii) regulatory functions, which need to be strengthened and separated from government, and defined as the remit for the new organisation, "Qualifications Wales"; (iii) awarding functions, which are already well defined and typified by WJEC's full range of current activities in relation to qualifications. It is this proposal which WJEC believes should be included as a comparator within the due diligence exercise.

"Scotland" (*referred to in the statement – 6th and 7th paras*): In his foreword to *Knowledge, Skills and Competence in the European Labour Market* ⁽¹⁾, Tim Oates refers to the perils of 'policy borrowing' and 'educational tourism' with the cautions that "all aspects of education and training in a nation exist in strong dependent relations" and "when policies migrate, they typically fall short of policymakers' and others' expectations". The two essentials when making comparisons with Scotland are to understand how their context is different, and to get facts absolutely correct. Unfortunately, there are inaccuracies in the material relating to Scotland included in the statement of 8th January, and it may be that the Welsh Government will be correcting these. The existence of the errors raises concerns about the extent to which the arrangements for Scotland, and their evolution, have been understood. Our understanding is that the former Scottish Examination Board and the Scottish Vocational Education Council, each of which had been set up by government in the first instance, were dissolved in 1997 and their functions had therefore already transferred to SQA well ahead of the period 2004 to 2008 referred to in the statement. During that latter period, the process of change within SQA related to their acquisition of additional accreditation rights. Major contextual features which differ between Wales and Scotland include the fact that WJEC is a charity, whereas SQA is not, and that the mainstream general qualifications proposed for Wales (if the recommendations of the final report of the 14-19 Qualifications Review are accepted) are ones which are currently offered under three-country working arrangements, whereas in Scotland its mainstream general qualifications are not shared with any other part of the UK.

(1) Brockmann, M., Clarke, L., and Winch, C. (2011), *Knowledge, Skills and Competence in the European Labour Market*, London: Routledge.

4. Organisational matters and process

"Collapsed into Qualifications Wales" (*referred to in a reply*): It was suggested in a reply that creating the new body will "essentially involve WJEC being collapsed into Qualifications Wales". The use of the unusual phrase "collapsed into" suggests a lack of recognition that any process whose intended outcome involves a relationship between WJEC and "Qualifications Wales" needs to be described in terms which makes sense in the context of legal frameworks and human resource management.

"Due diligence" (*referred to in the statement – 7th and 8th paras*): The scope of the specification for the due diligence exercise, issued on 8th January, contains much of what would be expected in the context of a commercial acquisition or merger. However, it is perhaps surprising that some of the most fundamental issues relating to the context are embedded as sub-points rather than being given the required status of being main determinants of the direction of travel. This applies specifically to 4.2.2 (b) "(provide) advice on what business activity should remain within Welsh Government" and also to a point embedded within section 6.2 – "assessment of what qualification functions should remain within Welsh Government". WJEC's view is that unless such matters of policy and principle have been addressed by Welsh Government at the outset, in order to provide a clear context, there is no guarantee that the due diligence exercise will deliver relevant and useful information.

"Nationalising" (of WJEC - *referred to in a reply*): Although this is mentioned, in a reply, in the context of "not want(ing) to have to nationalise WJEC", this is one of a range of potential considerations which, relative to WJEC's current charity status, would have implications for the public purse. WJEC needs to re-scope the legal advice which it is commissioning, to take account of the wider range of scenarios that are being mentioned.

"Shareholders" (*referred to in a reply, "local government as shareholders of WJEC"*): As WJEC is a charity and company limited by guarantee, "shareholding" is not a relevant concept.