

Chris Humphries
Chief Executive
UK Commission for Employment and Skills
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15 April 2010

Dear Chris

UK Commission for Employment and Skills

Second Revision to the 2010-11 Grant-in-Aid and Priorities Letter

On 22 March 2010, Simon Fraser issued the UK Commission for Employment and Skills (the UK Commission) with its 2010–11 Grant-in-Aid and Priorities Letter. In his letter, Simon explained that the Grant-in-Aid Letter builds on the priorities for skills, employment and productivity set out in the UK Commission's remit Letter and sets out the indicative budget allocations for the UK Commission in 2010–11. Claire Craig sent you a first revision to the 2010-11 Grant-in-Aid and Priorities Letter on 1 April 2010.

The purpose of this letter is to provide the UK Commission with an update to Simon's letter of 22 March 2010 and Claire's letter of 1 April 2010. The letter of 22 March 2010 invited the UK Commission to work with Sector Skills Councils (SSC), awarding organisations and Ofqual to reduce the time it takes to develop a new qualification to 6 months and a maximum of 12 months. It went on to invite the UK Commission to formalise the SSC-led process of publishing the development times for qualifications. Funding of £220k has now been confirmed.

The Priorities for 2010 – 11 are:

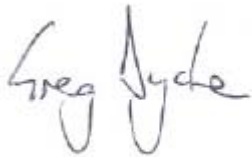
- Develop and validate a range of trials for the qualification development process;
- Develop infrastructure to support test and trials (e.g. IT, performance management and quality assurance);
- Develop guidance and support materials for test and trials;
- Trial the qualification development process (inc. sectors set out in 'New Industries New Jobs');
- Agree the new qualification development process with delivery partners; and
- Launch the new qualifications development process.

The focus and timing of delivery of these priorities should be agreed with BIS alongside discussions with the Qualifications and Reform Delivery Board for England.

The addition of the timeline project to the UK Commission's Grant-in-Aid and Priorities Letter as above has been discussed and agreed with Simon Renny and Geoff Fieldsend at the UK Commission

The total resource budget for the UK Commission in 2010 – 11 has now been revised to **£77,350k**, including a non cash element of **£450k**. The actual cash Grant-in-Aid figure has been revised to **£76,900k** – see Annex: Resources below for further details.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Greg Dyche'. The signature is written in a cursive, fluid style with a large 'G' and 'D'.

Greg Dyche

On behalf of UKCES joint sponsors: BIS, DCSF, DWP, Scottish Government, Welsh Assembly Government, HMT and DELNI.

Annex: Resources [Amendments made to table 1 and figures stated]

1. Your delegated budget limits for 2010-11 are set out in the attached tables. The amount of resources available to the UK Commission in 2010-11 is **£77,350,000** which includes non cash costs of **£450,000**. **This figure is to be treated as a control total for resource-based expenditure and must not be exceeded without written approval from the Joint Sponsor Unit.** There may be additions to the control total from other policy areas during the year.

2. You are required to report your expenditure against the following Budget Lines:

Table 1 2010-11 Delegated Budget Limits

Resource Description	Category	Amount (£000s)
<u>Running Costs</u>		
Pay	Resource DEL	7,859
Non Pay	Resource DEL	3,138
<u>Total Running Costs</u>		<u>10,997</u>
<u>Programme Recurrent</u>		
UKCES Programme Funding	Resource DEL	10,826
SSC Programme Funding	Resource DEL	55,255
<u>Total Programme Recurrent</u>		<u>66,081</u>
<u>Receipts</u>	Resource DEL - Negative Expenditure	<u>-483</u>
<u>Own Capital</u>	Capital DEL	<u>305</u>
<u>Capital Charges</u>		
Depreciation	Ring-fenced Resource DEL (Note: underspends cannot be used to offset other resource pressures)	450
<u>Total Capital Charges</u>		<u>450</u>
<u>Grand Total</u>		<u>77,350</u>

3. Your budget is broken down into the following elements:

- Resource Departmental Expenditure Limit (DEL) which includes near-cash and non-cash;
- Capital DEL

4 After allowing for non cash costs of **£450,000** the resulting figure for Grant in Aid is **£76,900,000**.

This figure is to be treated as a Cash Limit and must not be exceeded without prior written approval from the Department.

UK COMMISSION RESOURCE BUDGETS FOR 2010-11 - TABLE 2A

(All figures £000s)

(All figures £000s)	ONGOING FUNDING							PROJECT FUNDING											TOTALS	
	BIS BASELINE	NOS GIA (BIS) (Part of BIS Baseline)	APPRENTICESHIPS (Part of BIS Baseline)	WOMEN IN WORK (Part of BIS Baseline)	VQR ASSETSKILLS (Part of BIS Baseline)	IIP	DWP	NOS GIA (DEVOLVED ADMIN'S FUNDING)	APPRENTICESHIPS	DCSF 14-19	IAG LMI	NVQ LEVY	QUALIFICATIONS TIMELINE	RESEARCH INSTITUTE	STRATEGIC SKILLS	TALENT MAP	THIRD SECTOR SKILLS BODY	VQ EVALUATION	5% Efficiency Savings	TOTAL GRANT FUNDING
Running Costs																				
Pay	3628	362		182		1185	898	80	233	85		160		649	222		35	140		7859
Non Pay	1690	145		82		340	370	32	114	45		65		154	53			48		3138
Sub Total	5318	507	0	264	0	1525	1268	112	347	130	0	225	0	803	275	0	35	188	0	10997
Own Capital	250					55														305
Programme Recurrent																				
UKCES	4375			120		2103	32	36	50	20		164	95	2297	900	322		312		10826
Sub Total	4375	0	0	120	0	2103	32	36	50	20	0	164	95	2297	900	322	0	312	0	10826
Receipts						-483														-483
Capital																				
Depreciation	450																			450
Sub Total	450																			450
Total UKCES Budget	10393	507	0	384	0	3200	1300	148	397	150	0	389	95	3100	1175	322	35	500	0	22095
SSC Programme Funding	37103	3993	3000	4616	60			852	864	1270	806	1601	125				965			55255
Total UKCES and SSC Budget	47496	4500	3000	5000	60	3200	1300	1000	1261	1420	806	1990	220	3100	1175	322	1000	500	0	77350

TABLE 2B - SOURCES OF FUNDING BREAKDOWN OF UK COMMISSION RESOURCE BUDGETS FOR 2010-11

Receipts to BIS from Other Government Departments and Devolved Administrations for UKCES GIA (£000s)	BIS BASELINE	DWP	LiP	NOS GIA	APPRENTICESHIPS	DCSF 14-19	IAG LMI	NOS LEVY	QUALIFICATIONS TIMELINE	RESEARCH INSTITUTE	STRATEGIC SKILLS	TALENT MAP	THIRD SECTOR SKILLS BODY	VQ EVALUATION	TOTALS
BIS	60056		3200		1261		806		220	3100	1175	116	750	450	71134
DWP		1300													1300
DCSF NOS Levy								1990							1990
NOS - Northern Ireland				200											200
NOS - Scottish Government				500											500
NOS - WAG				300											300
DCSF 14-19						1420									1420
Talent Map - WAG												27			27
Talent Map - Scottish Government												47			47
Talent Map - Northern Ireland												16			16
Talent Map - DCSF												116			116
Third Sector Skills Body - Cabinet Office													250		250
	60056	1300	3200	1000	1261	1420	806	1990	220	3100	1175	322	1000	500	77350