

## PFCC Decision Report

**Report reference number:** 148-24

**Classification:** Not protectively marked

**Title of report:** Contract Addendum – Services relating to the Police Education Qualifications Framework (PEQF)

**Area of county / stakeholders affected:** Essex and Kent Police (2024/25 student officer intakes)

**Report by:** Pippa Brent-Isherwood (Chief Executive and Monitoring Officer)

**Chief Officer:** Pippa Brent-Isherwood (Chief Executive and Monitoring Officer)

**Date of report:** 1 August 2024

**Enquiries to:** David Levy (Director of 7F Commercial Services)

### 1. Executive Summary

An amendment has been negotiated to the contract with Anglia Ruskin University (ARU) dated 3 January 2022 relating to the Police Education Qualifications Framework (PEQF). This now requires authorisation on behalf of the PFCC.

### 2. Recommendations

That the PFCC approves the contract addendum attached at Appendix 1 by authorising the application of their electronic signature.

### 3. Background to the Proposal

In a briefing note submitted to the relevant Assistant Chief Officers in July 2023, in light of the known difference between the original Annex 20 document and the current delivery plans and resource model, a recommendation was made to trigger the annual financial review opportunity that was included at section 5.3 of Annex 4 to the contract.

It was identified that this could potentially permit ARU to draw down a larger amount from the Kent and Essex apprenticeship levy accounts and consequently lead to a larger subcontract rate from ARU, once all elements of delivery were included within a revised Annex 20.

With the new optimised curriculum currently being devised, it was agreed that a full review should not occur until this has been signed off (estimated to be finalised by end of August 2024), to save repeating the financial exercise, however an interim position could be achieved to ensure all parties benefit from the ability to draw down additional levy funds. In commissioning this interim review, a principle of 'no party will be worse off' was agreed.

A dynamic pricing model has now been proposed for consideration which can be implemented for the summer intakes, ahead of the full financial review.

#### **4. Proposal and Associated Benefits**

With effect from 1 April 2024, the PCDA fees will increase to £24,000 per student. The increase of £5,000 will be sourced through increasing the drawdown from the Apprenticeship Levy. This increase from the levy is needed to fund additional eligible costs that are being incurred, including but not limited to:

- Costs associated with the onboarding and initial assessment of apprentices.
- Costs incurred by the forces for managing the apprenticeship, and
- Costs associated with curriculum revisions, which were under-represented in the original tender.

Given that there are sufficient additional eligible costs under ESFA guidelines (which have been revised since the contract was agreed) it is possible to claim the full £24,000 per apprentice. This would see both forces and ARU benefitting from fully utilising the maximum funding permitted for delivery of the PCDA. This interim model could provide significant additional income which could ease some of the financial pressures on both forces.

The addendum attached at Appendix 1 supersedes the low cohort charging protocol which will no longer be in use for the PCDA entry route. The protocol will remain in place for DHEP. All other terms and conditions remain unchanged.

#### **5. Options Analysis**

The proposal recommended for approval reflects the outcome of lengthy discussions between ARU and the forces since April 2024, with the original proposal from ARU suggesting that the university should receive 60% to 70% of the £5,000 per student for smaller cohorts. These proposals were not accepted and have been renegotiated as detailed in this report.

#### **6. Consultation and Engagement**

This proposal has been recommended by 7F Commercial Services.

It meets the principles set out by ACO Leicester at the Programme Board in 2023, that any changes to financial payments should be mutually beneficial and not result in a reduction of income.

The PCC for Kent has already signed the addendum attached at Appendix 1.

## **7. Strategic Links**

This proposal aligns with the priority set out in the Police and Crime Plan of supporting our officers and staff, with the objective of ensuring that officers, staff and volunteers receive the support they need to keep delivering an outstanding service to the public.

## **8. Police operational implications**

There are no operational implications arising for Essex Police from this proposal.

## **9. Financial implications**

As set out in section 4 above, with effect from 1 April 2024, the PCDA fees will increase to £24,000 per student. The increase of £5,000 will be sourced through increasing the drawdown from the Apprenticeship Levy, which is permitted under ESFA rules. It will be the responsibility of ARU to evidence the increased drawdown to the EFSA.

It is proposed to allocate the additional funds based on cohort size, through a dynamic model. The table below shows how the additional £5,000 per apprentice is proposed to be shared between ARU and the forces based on the number of student officers per cohort:

<b>Number of student officers</b>	<b>Share of £5k to forces</b>	<b>Share of £5k to ARU</b>
16 or lower	50%	50%
17 - 18	55%	45%
19+	60%	40%

The operating principles are as follows:

1. The table above applies only to the £5,000 of levy funding that is unclaimed in the current arrangement.
2. The share of funding within the existing £19,000 currently remains unchanged. However, this will be reviewed once the work on the optimised curriculum is completed.
3. At the beginning of the financial year, the percentage shares of the £5,000 are agreed and fixed. This is recorded in a table similar to the one above.
4. For each cohort, the shares to the forces and to ARU for each apprentice are calculated on the basis of the table agreed in step 3 above. These shares remain in place throughout the programme even if the size of the cohort changes.

If the proposed dynamic pricing model was to be approved, as per the figures shown in the above table, the following examples would apply:

- For an average cohort of 16:
  - Forces would receive an additional £40k
  - ARU would receive an additional £40k
- For a large cohort of 20:
  - Forces would receive an additional £60k
  - ARU would receive an additional £40k

Cancellation charges will still be applicable if a cohort is cancelled within the normal 45-day window.

## **10. Legal implications**

7F Commercial confirmed at the recent Programme Board that this proposal is valid and legitimate and is in line with the current contractual and commercial arrangements.

The apprenticeship funding rules require the employer and provider to negotiate a price for each apprentice, and to claim funding of eligible costs up to the maximum in the funding band for the relevant apprenticeship standard. The funding band for the PCDA is £24,000, of which currently £19,000 is claimed.

As a result of the way costs are set out in the PEQF contract, ARU and the two forces have costs that are eligible under the funding rules and unclaimed from the apprenticeship levy. These unclaimed eligible costs include:

- a. Costs of onboarding onto the learning programme and initial assessment (cost to ARU and forces)
- b. Cost of induction (cost to ARU and forces)
- c. The force costs and cost of non-teaching support of apprentices, i.e tutors (cost to the forces)
- d. Running costs, utilities etc for the teaching facilities (cost to the forces) (note this doesn't cover capital costs).
- e. Cost of managing the subcontractor (cost to ARU)
- f. Relevant training where there is a clear overlap between the training content and the knowledge, skills and behaviours needed for the apprenticeship.
- g. Any items that do not have a lifespan beyond the individual apprenticeship being funded that are necessary in the delivery of the apprenticeship.
- h. Proportionate salary and on-costs of staff who are directly involved in programme governance, management, and administration of the apprenticeship.

In addition, there are eligible costs which were not fully described in the tender documentation, such as the multiple revisions of the curriculum, updating learning resources etc.

Following the review against the updated eligibility criteria, it can be evidenced that ARU and the forces are incurring costs of in excess of £24,000 for the PCDA. As the

maximum which can be claimed per apprentice is £24,000, it is legitimate now to claim the maximum.

ARU bears the responsibility for the audit of the funds claimed. They have recently been subject to a scheduled ESFA audit which was successful, and so there is confidence in their processes.

#### **11. Staffing implications**

There are no staffing implications arising from this decision report.

#### **12. Equality, Diversity and Inclusion implications**

There are no equality, diversity and inclusion implications arising from this decision report.

#### **13. Risks and Mitigations**

Through the negotiations, it has been agreed that, should an intake regularly fall below 12 officers, then a review of the agreed model will be undertaken. Cohorts of this size are not likely to occur with the predicted work force plans for Kent and Essex. However, ARU was keen to have this in place should it be required, and to have a consistent approach across the seven forces of the eastern region. Even if a very small cohort were required, then Kent and Essex would still be financially better off than with our current arrangement.

#### **14. Governance Boards**

The proposal was supported at an extraordinary PEQF Board meeting on 17<sup>th</sup> June 2024.

#### **15. Links to Future Plans**

This proposal will apply to the 2024/25 intakes only and will be renegotiated ahead of the 2025/26 recruitment profile agreement, or upon full financial review, whichever occurs the soonest. This proposal will also be subject to review should the Institute for Apprenticeships and Technical Education (IfATE) adjust the apprenticeship cap in the future.

#### **16. Background Papers and Appendices**

Appendix 1 – Contract Addendum – Services relating to the Police Education Qualifications Framework (PEQF) (ref. 2018-024 Lot 3)

**Report Approval**

The report will be signed off by the PFCC's Chief Executive and Chief Finance Officer prior to review and sign off by the PFCC / DPFCC.

Chief Executive / M.O.

Sign:

Print: P. Brent-Isherwood

Date: 1 August 2024

Chief Finance Officer

Sign:

Print: Janet Perry

Date: 2 August 2024

**Publication**

Is the report for publication?

YES

NO

If 'NO', please give reasons for non-publication (Where relevant, cite the security classification of the document(s). State 'None' if applicable)

None

If the report is not for publication, the Chief Executive will decide if and how the public can be informed of the decision.

**Redaction**

If the report is for publication, is redaction required:

1. Of Decision Sheet?

YES

2. Of Appendix?

YES

NO

NO

If 'YES', please provide details of required redaction:

N/A

Date redaction carried out: .....

**Chief Finance Officer / Chief Executive Sign Off – for Redactions only**

If redaction is required, the Chief Finance Officer or Chief Executive is to sign off that redaction has been completed.

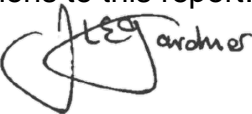
**Sign:** .....

**Print:** .....

**Chief Executive / Chief Finance Officer**

**Decision and Final Sign Off**

I agree the recommendations to this report:

**Sign:** 

**Print:** Jane Gardner

**Deputy PFCC**

**Date signed:** 02/08/2024

I do not agree the recommendations to this report because:

.....  
.....  
.....

**Sign:**

**Print:**

**PFCC/Deputy PFCC**

**Date signed:**