

Business Engagement Assessment

Please keep all entries **as brief as possible** consistent with allowing businesses to understand them.

Title of Proposal	Future of social care inspection
Lead Regulator	Ofsted
Contact for enquiries	Lisa Pascoe

Date of assessment	28/06/2016
Net Cost to Business (EANCB)	N/A
Which area of the UK will be affected by the change(s)?	England
Does this include implementation of Red Tape Challenge commitments?	No

Stage of assessment	Discussion
Commencement date	April 2017
Price and present value base years	N/A
Is this directly applicable EU or other international legislation?	No

Brief outline of proposed change in regulatory action

[The future of social care inspection](#) proposes changes to the inspection arrangements for most of the different kinds of social care settings, which Ofsted inspects and/or regulates. The public consultation on these changes will run from 28 June to 9 September 2016. Implementation is planned in two stages, depending on the setting type, for April 2017 (for the settings referred to in this assessment) and January 2018 (for local authority children's services).

Ofsted regulates a range of social care regulatory settings using several different inspection frameworks, each with its own often similar, but different, inspection methodologies, evaluation criteria and reporting arrangements. Ofsted proposes to reduce the number of inspection frameworks it currently uses to inspect and regulate a range of settings – mostly regulatory settings, but also residential special schools, boarding schools and the residential provision of further education colleges – by introducing a single social care common inspection framework (SCCIF). This framework will be complemented by shared guidance that will include the evaluation criteria used for inspecting different settings.

For most of the affected different setting types, we consider that the impact will be minimal, but positive. In most instances, the inspection 'experience' will be virtually unchanged. The key differences that are likely to be noticed will be the inspection guidance and reports, which will be simplified, more concise and more consistent across the different types of settings than at present.

The most significant changes proposed relate to Ofsted's inspection of independent fostering agencies (IFAs). While we propose that IFAs will be inspected using the SCIFF, the impact of the changes is likely to be more noticeable as the differences in the evaluation schedule, grade structure will be more marked – though still simpler and shorter, as is the case for all the affected setting types. In addition, there are two further proposals that only concern IFAs.

The first relates to when an IFA is judged as inadequate. At present, Ofsted normally returns to the provider within the following 12 to 18 months to assess whether it has improved or not. In the future, Ofsted plans to return to inspect inadequate agencies within 6 to 12 months, or 12 to 18 months in the case of those judged

to require improvement (RI). Since the strength of an agency's business is significantly dependent on its Ofsted rating (i.e. Ofsted's most recent overall effectiveness judgement), the prospect of being able to demonstrate its improvement sooner rather than later it is hoped will be welcomed by IFAs who are less than good.

The second proposed change concerns the notice period given to agencies before an inspection starts. At present agencies receive 10 working days' notice of their inspection. It is proposed that this be reduced to one working day, to bring it into line with the notice given for all the other setting types.

[The future of social care inspection](#) consultation document, published by Ofsted on 28 June 2016, outlines the proposed changes and how they differ depending on the type of social care setting. The sections of particular relevance to this Business Engagement Assessment can be found in sections 3 and 4, and annexes 1 to 9 within the consultation document.

The impact felt by all of the different setting types is explained in more detail below.

Why is the change proposed? Evidence of the current problem?

Of the various social care settings Ofsted currently inspects, eight different inspection frameworks are used to inspect 10 different setting types. These setting types include:

Types of setting	Definition
Independent fostering agencies	Independent fostering agencies are defined in section 4(4) of the Care Standards Act 2000
Children's homes	Children's homes are defined in section 1 of the Care Standards Act 2000 .
Secure children's homes	Secure children's homes are defined in the Children (Secure Accommodation) Regulations 1991 and the Children's Homes (England) Regulations 2015
Residential special schools (Ofsted does not regulate residential special schools)	Residential special schools are special schools that provide residential accommodation for any child for up to 295 days a year. A special school is: a. a special school within the meaning of section 337 of the Education Act 1996, or; b. an independent school not falling within (a) above which is specially organised to make special educational provision for pupils with special educational needs and/or disabilities.
Boarding schools (Ofsted does not regulate boarding schools)	A boarding school is a registered school that provides boarding to any child for up to 295 days a year. (Ofsted does not normally inspect independent schools inspected by the Independent Schools Inspectorate (ISI) or the School Inspection Service (SIS), but can do so in exceptional circumstances at the request of the DfE.)
Voluntary adoption agencies	Voluntary adoption agencies are defined in section 4(7) of the Care Standards Act 2000 and Section 2(2) of the Adoption and Children Act 2002 .
Adoption support agencies	Adoption support agencies are defined in section 4(7A) of the Care Standards Act 2000 and section 8 of the Adoption and Children Act 2002 .
Residential family centres	Residential family centres are defined in section 4(2) of the Care Standards Act 2000 .
Residential holiday schemes for disabled children	Residential holiday schemes for disabled children are defined by Section 2(2) of the Residential Holiday Schemes for Disabled Children (England) Regulations 2013 made pursuant to the Care Standards Act 2000.
Further education	Further education colleges are defined in section 91 of the Further and Higher

colleges (residential provision)
(Ofsted does not regulate FE colleges)

[Education Act 1992](#), as amended by the [Education Act 2011](#)

Currently, there are too many differences in the criteria that inspectors use to make the judgements and in the accompanying inspection guidance (usually referred to as inspection handbooks). These differences are not necessarily significant and they are unnecessarily inconsistent, making comparison across the different settings difficult, even though the needs, ambitions and expectations of the children are largely the same, wherever they live or receive help.

The proposed SCCIF will include a consistent judgement structure to be used across a wide range of settings, thus ensuring that, wherever possible, Ofsted will be able to report on a set of common overarching criteria in the various types of settings in a consistent way. What are currently separate inspection guidance/framework documents will be brought together into one coherent document that will apply to all the different setting types. This new single handbook will consist of two parts: firstly, the generic guidance common to all SCCIF settings and, secondly, specific guidance relating to the individual setting types.

Further consistency will be achieved by all the new inspection methodology being based on the common principle of focusing on the experiences and progress of the children, while addressing the unique and distinct aspects of each type of setting.

Changes to the inspection of independent fostering agencies

In line with our principle of focusing on those providers that are less than good, the SCCIF proposals mean that, while all IFAs will continue to be inspected at least once within a three-year period, we will return to those judged inadequate or requiring improvement sooner than we do at present (within 6 to 12 months if inadequate, or 12 to 18 months if RI). Prompt and proportionate attention to those providers that are less than good will promote faster service improvement and increase the sustainability of agencies.

The proposed reduction in the notice period will bring IFA inspections into line with the majority of our inspections. It will provide a clear and realistic picture of the day-to-day operation of each agency. It will also reduce the time that agencies spend preparing for inspection. We will produce clear guidance on the information that inspectors will need and on the type of activity they will undertake during inspections.

Which types of business will be affected? How many are affected?

The proposals being consulted on relate to Ofsted's inspection of local authority children's services, independent fostering agencies, children's homes (including secure children's homes), residential special schools, boarding schools, voluntary adoption agencies, adoption support agencies, residential family centres and residential holiday schemes for disabled children. Of these settings, not all are regulated by Ofsted or are businesses and, therefore, not relevant to this Business Engagement Assessment. Those that are relevant and affected are listed below, and defined, together with the number of settings that currently exist (as of 31 March 2016), together with their respective funding status (private, public or voluntary/charitable).

Which types of business will be affected? How many are affected?									
Types of setting	Total Number of providers (as at 31 March 2016)	Private individual/ Partnership	Voluntary individual/ Partnership	No. of local authority providers	Private organisation	Voluntary organisation	Academy	Health authority	Unknown
Independent fostering agencies	297	2	-	-	232	63	-	-	-
Children's homes	1972	17	-	436	1362	144	-	9	4
Secure children's homes	14	-	-	13	-	1	-	-	-
Residential special schools	165	4	5	79	25	36	16	-	-
Residential special schools registered as children's homes	85	-	-	3	55	27	-	-	-
Boarding schools	85	3	3	8	28	14	28	-	1
Voluntary adoption agencies	45	-	-	-	1	44	-	-	-
Adoption support agencies	36	12	-	-	11	13	-	-	-
Residential family centres	37	-	-	1	27	8	-	-	1
Residential holiday schemes for disabled children	11	-	-	-	4	5	-	-	2
Further education colleges (residential provision)	35 (as at 01/01/16)	-	-	-	-	-	-	-	-

Which types of business will be affected? How many are affected? (cont.)

The introduction of a social care common inspection framework will affect all the above listed settings to some degree. The specific changes are referred to in the next section of this assessment. The most substantial changes are being proposed for the inspection of independent fostering agencies – in particular those judged inadequate. Of the 297 IFAs currently operating, three are inadequate which currently accounts for 1% of the total number of IFAs (based on the 2015–16 inspection year).

As at 31 March 2016, the latest IFA overall effectiveness judgement profile was:

Judgement at 'full' inspection	Number of providers	%
Outstanding	39	14
Good	196	71
Adequate	39	14
Inadequate	3	1
Total	297	100

How will the change impact these businesses?

The SCCIF does not propose any changes to the standard frequency of inspections or suggest any significant changes to the inspection methodology for any of the affected settings. The changes being proposed will be in the form of new evaluation criteria, and in the structure of the inspection judgements and reports, which will enable a more consistent approach to inspection across all social care settings. The SCCIF judgement structure will be:

- The overall experiences and progress of children and young people, taking into account:
 - how well children and young people are helped and protected
 - the effectiveness of leaders and managers.

The changes will not 'raise the bar' for achieving a good or outstanding judgement. We do not expect that these changes will create any additional burden/costs for the settings involved. Indeed, for all of the providers, the changes should have a positive impact in making the inspection process clearer, more efficient and streamlined.

The annexes in the consultation document detail the specific changes being proposed for each of the different kinds of setting. For nearly all the setting types, the changes will mean a simplified inspection report with fewer judgements being made, using the revised evaluation criteria.

A summary of the key proposed changes for all the different types of settings are shown in the table below.

Sector	Do we propose to change the notice given for inspections?	Will the frequency of inspections change?	Do we propose to change the current judgement structure?	Do we anticipate changing the current evaluation criteria?	Do we anticipate changing other aspects of inspection methodology?	Will the inspection reports differ in format from those currently produced?
Children's homes	No	No	No	Yes – very minimal but with no	No	No change

				raising of the bar		
Secure children's homes	No	No	Yes (like children's homes but with extras)	Yes – but with no raising of the bar	No	Yes, in line with the new judgement structure – will look similar to the current children's home report format
Independent fostering agencies	Yes – from 10 days to 1 day	Yes – earlier return for inadequate/ RI inspections	Yes	Yes – but with no raising of the bar	No	Yes, in line with the new judgement structure – will look similar to the current children's home report format
Voluntary adoption agencies	No	No	Yes	Yes – but with no raising of the bar	No	Yes, in line with the new judgement structure – will look similar to the current children's home report format
Adoption support agencies	No	No	Yes	Yes – but with no raising of the bar	No	Yes, in line with the new judgement structure – will look similar to the current children's home report format
Residential family centres	No	No	Yes	Yes – but with no raising of the bar	No	Yes, in line with the new judgement structure – will look similar to the current children's home report format
Residential holiday schemes for children with disabilities	No	N	No	Yes – but with no raising of the bar	No	Yes, in line with the new judgement structure – will look similar to the current children's home report format
Boarding Schools	No	No	Yes	Yes - but with no raising of the	No	Yes, in line with the new judgement

				bar		structure – will look similar to the current children’s home report format
Residential special schools	No	No	Yes	Yes – but with no raising of the bar	No	Yes, in line with the new judgement structure – will look similar to the current children’s home report format
Further education colleges (residential provision)	No	No	Yes	Yes – but with no raising of the bar	No	Yes, in line with the new judgement structure – will look similar to the current children’s home report format

Changes to the inspection of independent fostering agencies

For independent fostering agencies (IFAs), it is proposed that they will receive a more proportionate approach to number of the inspections they receive. Ofsted currently inspects IFAs once in a three-year period. When an IFA is judged inadequate, Ofsted will normally return to the provider within the following 12 to 18 months to assess whether it has improved or not. In line with our principle of focusing on those providers that are less than good, the SCCIF proposes that, while we plan to continue to inspect all agencies at least once within a three-year period, we will normally return to inspect agencies:

- that are judged inadequate within 6 to 12 months
- that are judged to require improvement within 12 to 18 months.

Ofsted is not responsible for the criteria, processes or local decision-making, which can all influence how IFAs are used. However, Ofsted recognises that an agency’s inspection judgements are often a key factor in maintaining their sustainable business income. Those IFAs judged RI and inadequate will receive an earlier return inspection, thus giving them the opportunity to demonstrate that they have improved sooner rather than later. An improved rating is likely to improve their sustainability, and is therefore likely to be welcomed from the business perspective. We cannot quantify this (positive) impact, and it is likely to vary depending on the area/local authority involved. In addition, where an IFA has been judged good or outstanding for at least two consecutive inspections, Ofsted is considering extending the period until the next inspection, in line with the principle of proportionality. The frequency of inspection for all the other regulated settings will remain unchanged, with therefore no impact.

One further change proposed that applies only to IFAs concerns the inspection notice time. Currently, IFAs receive 10 working days’ notice of an inspection. The SCCIF proposes that this is reduced to one day. This will bring the notice period into line with all the other setting types, which already have only one day’s notice and provide inspectors with a clear and realistic picture of the day-to-day operation and impact of the agency. Alongside clear guidance on the information that inspectors will require for inspection, we believe that shorter notice will reduce the demands on the agencies and stakeholders in their preparations for inspection, without adversely affecting the ability of inspectors gaining the necessary evidence during the inspection.

Impact on small business

Many of the providers across the sector are small businesses*; therefore, the impact of the change on small business will be consistent with the narrative above.

*As defined in EU law in 2012; [EU Definition – What is an SME \(small and medium-sized enterprise\)?](#)¹

¹ http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/sme-definition/index_en.htm

Business Engagement Questionnaire

You can complete the form below and return it by post to:
Social care policy team
Ofsted
Aviation House (8th floor)
125 Kingsway
London
WC2B 6SE or by email to socialcare@ofsted.gov.uk.

Please put '**Future of social care inspection – consultation**' in the subject line.

Q1. Do you agree with this assessment?

Yes <input type="checkbox"/>	No <input type="checkbox"/>
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Q2. If you have answered no, please explain your answer below.

Q3. What are the financial (or other) costs/savings that you are likely to experience if these proposals are implemented?

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Q5. Are you responding as an individual or on behalf of an organisation?

Yes <input type="checkbox"/>	No <input type="checkbox"/>
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Q6. Please provide your name or the name of the organisation, and contact details.

Name:

Contact:

Thank you for responding.

Have you completed the consultation on our proposals for the future of social care inspection: www.gov.uk/government/consultations/future-of-social-care-inspection?