



Department
for Education

Fees and frequency of inspection regulations

Government consultation

Launch date 13 December 2016

Respond by 17 January 2017

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1 Introduction

1.1 The aim of this consultation is to seek the views of key stakeholders on proposed changes to the fees and frequency of inspection regulations, with a view to regulations coming into force in April 2017.

1.2 The consultation will run for five weeks.

2 Who this is for

- Local authorities
- Providers of children's homes
- Registered managers of children's homes
- Providers of holiday schemes for disabled children
- Parents and carers
- Ofsted
- Boarding schools and residential further educational colleges
- Residential special schools
- Voluntary adoption agencies
- Adoption support agencies
- Independent fostering agencies
- Residential family centres
- Organisations providing support and services for children and young people

3 Issue date

3.1 The consultation was issued on **13 December 2016**.

4 How to respond

4.1 You can reply to this consultation online at:

<https://consult.education.gov.uk/children-in-care/fees-and-frequency-of-inspection-regulations>

4.2 **Consultation opens: 13 December 2016**

Deadline for responses, at midnight: 17 January 2017. We can only accept your consultation response via the online survey, above. If you have any enquiries or questions about the consultation, please contact DfE at:

FeesAndFrequency.CONULTATION@education.gov.uk

Please **do not** submit your response to the above inbox.

4.3 If, for accessibility reasons, e-mail is your only means of submitting a response, then of course we will take your answers into account during our analysis. However, we're afraid we cannot include such responses in our analysis statistics. Similarly, if it is essential for your accessibility, we are able to accept hard copy responses at:

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Emily Roling
Children in Care
Department for Education
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Sanctuary Buildings,
Great Smith Street,
London
SW1P 3BT

5 Foreword

5.1 The aim of this consultation is to seek the views of interested parties on proposed changes to Her Majesty's Chief Inspector of Education, Children's Services and Skills (Fees and Frequency of Inspections) (Children's Homes etc.) Regulations 2015.

5.2 These relate to the role and responsibilities of Ofsted. Ofsted is the Office for Standards in Education, Children's Services and Skills. Its role is to inspect and regulate services that care for children and young people, and services providing education and skills for learners of all ages.

5.3 This consultation seeks views on:

- A 10% increase on current fees, for those settings where fees are not already at full cost recovery. Annexes A and B (annual fee and registration/variation fee respectively) set out the proposed 2017/18 fees.
- A reduction in the annual fee for residential holiday schemes for disabled children.
- Amending the frequency of Ofsted inspections for those registered children's homes (excluding those children's homes approved as secure homes) which currently have an overall effectiveness judgement of "good" or "outstanding" so that they receive a minimum of one full inspection during the next inspection period (i.e. April 2017 - March 2018) and each subsequent year.

6 Fees for registration and other regulatory activity

6.1 Since 2010-11, the fees charged by Ofsted to children's social care providers have been set using a model for calculation developed by Ofsted in 2008-09 ("the 2008-09 Ofsted cost model"). The cost of each inspection and regulatory activity is calculated based on a mix of direct and indirect costs, including the tariff for each inspection and/or visit and the wider costs of regulating the sector. Ofsted developed this model to give greater transparency to providers on how fees were set, providing a more accurate and readily understandable indication of the time and resource involved in each inspection activity.

6.2 The majority of providers are a long way from paying the full cost of the regulatory activity undertaken by Ofsted. A number of providers are paying less than 20% of full cost recovery with the vast majority paying less than 50% of full cost recovery. This means that the government continues to subsidise the regulation of the majority of children's social care settings. The government wants to limit the financial burden placed on providers while moving towards the full cost recovery of fees. We therefore propose to continue with a 10% increase on fees for 2017-18. **Annexes A and B** set out proposed 2017/18 fees for different settings that take account of the proposed 10% increase.

6.3 As in previous years, the fees for settings that have already reached full-cost recovery level will be capped at the full-cost rate. This only applies to a small number of settings. We are also interested in your views on increasing fees by 10% each year on an automatic basis until settings reach full cost recovery. This would give providers greater certainty about the future trajectory of fees. We would reserve the right to assess this on an annual basis to ensure the anticipated uplift remains appropriate and the full cost amount has not been adjusted in a way that would result in an over-cost charge or an under-recovery. We do not, however, intend to consult every year where we do not foresee such an issue.

6.4 In addition, we are proposing that this year we reduce the annual fee for Residential Holiday Schemes for Disabled Children, and freeze the provider and manager registration fee. This is because the fee charged is disproportionate to the operating models, and scope of activity undertaken by Residential Holiday Schemes for Disabled Children, most of which are run by charities. The proposed fees are set out in Annexes A and B.

Questions on fees:

- Do you agree with the proposed 10% increases for 2017-18 (as at Annexes A and B)?
- Do you agree that fees charged by Ofsted should increase by 10% each year (until full cost recovery is reached) without the need for DfE to consult annually (unless there are exceptional circumstances for doing so)?
- How would the proposed 10% annual increase affect you as a provider?
- Do you agree with the proposal to amend the fees for Residential Holiday Schemes for Disabled Children?

7. Amending regulations on the frequency of inspections for children's homes

7.1 The frequency of inspections is set out in regulations (as amended in 2016). Currently, all registered children's homes in England have a minimum of two Ofsted inspections in a year (between 1 April and 31 March – the inspection period) irrespective of inspection grade. One inspection is a full inspection, resulting in an overall effectiveness judgement on a four-point scale of outstanding, good, requires improvement or inadequate. The other inspection is usually a shorter inspection where Ofsted evaluates the effectiveness of the home and the progress and experiences of the children and young people since the last inspection and the difference the home is making; usually referred to as the 'interim inspection'. In this inspection Ofsted makes a judgement about declined, sustained or improved effectiveness, based on the judgement made at the full inspection.

7.2 We propose that, from April 2017, registered children's homes with an overall effectiveness judgement at their last full Ofsted inspection of either good or outstanding will receive a minimum of one full inspection during the inspection period (i.e. April 2017 – March 2018 and in subsequent years); unless Ofsted becomes aware of information that suggests practice may have deteriorated or there is information that gives concern.

7.3 We are **not** proposing any changes to the frequency of inspections for children's homes with an overall effectiveness judgement of requires improvement or inadequate. All registered children's homes with an overall effectiveness judgement at their last full Ofsted inspection of requires improvement will receive a minimum, as now, of two inspections (one full and usually one shorter inspection) per inspection period. All registered children's homes judged inadequate will, as now, lead to an urgent case review and more rapid re-inspection in line with Ofsted's published inspection framework¹. Those children's homes approved as secure homes (of which there are currently 14) will continue to receive a minimum of two inspections per year.

7.4 Extending the inspection cycle for children's homes graded outstanding and good accords with Sir Martin Narey's recent independent review of children's residential care. Sir Martin - former Head of the Prison and Probation Services in England and Wales and CEO of children's charity Barnardo's - made the following observations and recommendation in his report to Government:

1

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/511226/Inspection_of_childrens_homes_framework_for_inspection_from_1_April_2015.doc

“Children’s homes might further improve if, perversely, Ofsted reduced the inspection burden by inspecting good and outstanding homes less frequently. Schools are inspected once every three years. A children’s home gets six inspections in that period. And while I do not believe that the nature of inspection is so prescriptive that it extinguishes the scope for innovation, I think the frequency of inspection might do that. As managers told me, when inspections take place so frequently, there is a disincentive to try new things in case successful and established routines are disrupted. I’m confident that if inspections of good and outstanding homes became annual events, that would not threaten the safety of children, and it might help homes to think about doing things differently and more effectively. I urge Ofsted to introduce arrangements which will mean that, save in exceptional circumstances, homes achieving a good or outstanding rating will subsequently be inspected only annually.”²

7.5 The quality of children’s homes has improved significantly in recent years and the government has introduced new ‘quality standards’ and new qualification requirements for managers and staff. The government believes that this proposed change will strike the right balance between continuing to ensure that vulnerable children and young people’s safety and welfare are guarded, whilst trusting high quality providers to use their professional judgements and experience to deliver high quality outcomes for those in their care. At the same time, it will keep administrative burdens and costs associated with frequent Ofsted inspections to a minimum for those children’s homes that are high quality, thus allowing resources to be deployed more effectively across the children’s homes’ sector. All children’s homes graded outstanding or good in the last Ofsted inspection will continue to receive a full annual inspection by Ofsted. In addition, Ofsted will continue to have legislative powers to inspect any home (irrespective of its last grading), should safeguarding concerns or other concerns be flagged to Ofsted between inspections. We want to use this consultation to seek views on what should trigger an additional inspection for good or outstanding homes between inspection. If a children’s home was found to have deteriorated and was no longer judged outstanding or good, then Ofsted would increase the frequency of inspection to a minimum of two annual inspections again.

7.6 In addition to Ofsted inspections, there are other mechanisms in place to ensure that concerns about safeguarding or a deterioration of quality lead to action. An independent visitor must visit every home on a monthly basis (regulation 44 visits) and send a report to Ofsted and the placing Local Authority of all children in the home. In addition, the registered person for a home must have a system in place to allow them to monitor the quality of care in the home at least every 6 months (regulation 45 reports). The report of this review must also be submitted to Ofsted, as well as notifications of any serious incidents.

² <https://www.gov.uk/government/publications/childrens-residential-care-in-england>

Questions on changing the inspection cycle for outstanding and good children's homes:

- Do you agree with the proposal that registered children's homes that have been judged good or outstanding will receive a minimum of one full inspection during the following inspection period? If not, why not?
- Do you foresee any problems or issues that this proposal might create?
- What additional safeguards, if any, do you think should be put in place to address any problems created by the proposal to reduce the frequency of inspection of outstanding and good children's homes?
- What, if anything, should trigger an additional inspection for good or outstanding homes between inspections?

8 Equalities Assessment

8.1 This very short section asks for your help identifying any impacts of our proposals on people with protected characteristics.

Question:

- Please provide any representations / evidence on the impact of our proposals for the purposes of the Public Sector Equality Duty (Equality Act 2010). The protected characteristics are: age; disability; gender reassignment; pregnancy and maternity; race (including ethnicity); religion or belief; sex; and sexual orientation.

9 Plans for making results public

9.1 The results of the consultation and the Department's response will be [published on gov.uk](#) in Spring 2017.

10 Further sources of information

10.1 You may be interested in the following links:

Office for Standards in Education, Children's Services and Skills www.ofsted.gov.uk

British Association for Adoption and Fostering <http://www.baaf.org.uk/>

Local authorities <http://www.direct.gov.uk/en/dl1/directories/localcouncils/index.htm>

Putting children first: delivering our vision for excellent children's social care
<https://www.gov.uk/government/publications/putting-children-first-our-vision-for-childrens-social-care>

Sir Martin Narey's report and recommendations on children's residential care in England
<https://www.gov.uk/government/publications/childrens-residential-care-in-england>



Department
for Education

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Annex A: Proposed social care fees for 2017-18

	2016-17 Annual fee (£)	2017-18 Annual fee (£)	Increase (£)
Voluntary Adoption Agency (Small)	673	740	67
Voluntary Adoption Agency (Large)	1268	1395	127
Independent Fostering Agency	2126	2339	213
Adoption Support Agency (Small)	673	740	67
Adoption Support Agency (Large)	1273	1400	127
Residential Family Centre (0-3)	1290	1419	129
Residential Family Centre (4)	1452	1597	145
Residential Family Centre (5+)	1515	1667	152
Children's homes (4-31) per place fee	194	213	19
Children's homes (0-3)	1937	2131	194
Children's homes (4-31)	1937	2131	194
Children's homes (32+)	7526	8279	753
Boarding School (4-12) per place fee*	51	51	0
Boarding School (0-3)*	842	842	0
Boarding School (13-50)*	1323	1323	0
Boarding School (51-500)*	1851	1851	0
Boarding School (500+)*	2223	2223	0
Residential FE College (4-11) per place fee	51	56	5
Residential FE College (0-3)	842	926	84
Residential FE College (4-11)	842	926	84
Residential FE College (12+)	1290	1419	129
Residential Special School (4-18) per place fee	154	169	15
Residential Special School (0-3)	1549	1704	155
Residential Special School (4-18)	1549	1704	155
Residential Special School (19+)	3859	4245	386
Local authority Adoption functions	1547	1702	155
Local authority Fostering functions	2417	2659	242
Residential Holiday Schemes for disabled children**	2259	500	-

* These fees have reached full-cost recovery and will be capped at this amount.

** Reduced costs as explained in the consultation narrative.

Annex B: Proposed registration/variation fees for 2017-18

Children's Home (small)

Type	2016-17 Annual fee (£)	2017-18 Annual fee (£)	Increase (£)
Provider registration	722	794	72
Manager registration	no fee		
Minor variation	120	132	12
Variation requiring visit	722	794	72

Children's Home (large)

Type	2016-17 Annual fee (£)	2017-18 Annual fee (£)	Increase (£)
Provider registration*	2646	2646	0
Manager registration	722	794	72
Minor variation	120	132	12
Variation requiring visit*	1322	1322	0

Voluntary Adoption Agency (small)

Type	2016-17 Annual fee (£)	2017-18 Annual fee (£)	Increase (£)
Provider registration	501	551	50
Manager registration	no fee		
Minor variation	84	92	8
Variation requiring visit	501	551	50

Voluntary Adoption Agency (large)

Type	2016-17 Annual fee (£)	2017-18 Annual fee (£)	Increase (£)
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Provider registration	1837	2021	184
Manager registration	no fee		
Minor variation	84	92	8
Variation requiring visit*	919	919	0

Independent Fostering Agency

Type	2016-17 Annual fee (£)	2017-18 Annual fee (£)	Increase (£)
Provider registration*	2646	2646	0
Manager registration	722	794	72
Minor variation	120	132	12
Variation requiring visit*	1322	1322	0

Adoption Support Agency (small)

Type	2016-17 Annual fee (£)	2017-18 Annual fee (£)	Increase (£)
Provider registration	501	551	50
Manager registration	no fee		
Minor variation	84	92	8
Variation requiring visit	501	551	50

Adoption Support Agency (large)

Type	2016-17 Annual fee (£)	2017-18 Annual fee (£)	Increase (£)
Provider registration	1837	2021	184
Manager registration	501	551	50
Minor variation	84	92	8
Variation requiring visit*	919	919	0

Residential Family Centre (small)

Type	2016-17	2017-18	Increase
	16		

	Annual fee (£)	Annual fee (£)	(£)
Provider registration	602	662	60
Manager registration	no fee		
Minor variation	100	110	10
Variation requiring visit	602	662	60

Residential Family Centre (large)

Type	2016-17 Annual fee (£)	2017-18 Annual fee (£)	Increase (£)
Provider registration	2,204	2,424	220
Manager registration	602	662	60
Minor variation	100	110	10
Variation requiring visit*	1,102	1,102	0

Residential Holiday Schemes for Disabled Children

Type	2016-17 Annual fee (£)	2017-18 Annual fee (£)	Increase (£)
Provider registration	596	596	0
Manager registration	596	596	0
Minor variation	no fee		
Variation requiring visit	no fee		

* These fees have reached full-cost recovery and will be capped at this amount.