



Department  
for Education

# **Consultation on Fees and Frequency Regulations 2015-16**

**Government response**

**March 2015**

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## Introduction

1. This consultation sought the views of interested parties on the 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 2007.
2. This consultation sought views on two proposals:
  - Increasing inspection fees for children's social care and residential education providers by 20% in 2015-16, where they do *not* already pay the full cost of Ofsted conducting their inspection. This continues the policy, introduced in 2009 to comply with HM Treasury Guidance, that providers should meet the full cost of inspection.
  - Increasing registration/variation fees for children's social care and residential education providers by 10% in 2015-16,
3. The online consultation took place between the 27<sup>th</sup> November 2013 and the 24<sup>th</sup> December 2013.

## Summary of responses received and the Government's response

4. The consultation received 17 responses. The following table provides a breakdown of the categories of respondents.

Local authority	Provider of children's homes	Voluntary organisation	Other
2 (12%)	13 (76%)	1 (6%)	1 (6%)

5. In the consultation, respondents self-selected a category which best described the organisation that they were responding on behalf of, or that they worked within. These categories were:

- Local authority
- Private provider of children's homes
- Voluntary organisation
- Parent
- Ofsted
- Residential Family Centre Provider
- Educating organisation
- Other

## Main findings from the consultation

6. The number of respondents to the consultation was very small and represents only a tiny proportion of the providers covered by these fees. The respondent sample may therefore not fully reflect views across the whole sector.
7. The majority of respondents did not support the proposal to increase fees by 20% for those providers not at full cost recovery of their inspection fees, nor did they support a 10% increase in registration/variation fees.
8. The strongest themes emerging from people's comments was that the proposed fees increase was another pressure on providers' costs, while the fees that local authorities were willing to pay had remained static or been reduced. Respondents also felt that further stretching budgets could potentially impact on the level of service provided to young people.

## Question 1a: Do you agree with the proposed 20% increase in fees?

9. There were 17 responses to this question.

Table Q1a – All Respondents

	<b>Yes</b>	<b>No</b>	<b>Not Sure</b>
<b>All Respondents</b>	1 (6%)	15 (88%)	1 (6%)

Table Q1b – Respondent Breakdown

	<b>Local authority</b>	<b>Provider of children's homes</b>	<b>Voluntary organisation</b>	<b>Other</b>
<b>Yes</b>	1	0	0	0
<b>No</b>	1	12	1	1
<b>Not Sure</b>	0	1	0	0

10.6% (1) respondent agreed with the proposal for a 20% increase in inspection fees for those providers not currently paying a fee equivalent to the full cost of their inspection.

11.88% (15) of respondents did not agree with this proposal. 12 of the 15 'No' responses were children's homes providers.

### **Question 1b: If you do not agree, please give your reasons.**

12. Respondents described the pressure from local authorities over the past few years to reduce or maintain their fees, meaning that they have been unable to increase their fees to keep pace with rising costs.

13. Respondents also expressed concerns about what they described as the 'quality and consistency' of inspection and they questioned whether the fees charged represented value for money given their concerns.

### **Question 2: What consequences, if any, will a 20% increase in your inspection fees have on your service?**

14. This question invited respondents to comment. Fifteen comments were made. Most comments indicated that the extra money required for 2015-2016 fees and would have to be found either from within providers' existing budgets, or by increasing costs to local authorities.

15. Four respondents thought that a fee increase would impact on the quality of care provided. Six thought that the amount/standard of services/training they offer to local authorities and their own staff will be reduced.

16. Two respondents considered that the service received from Ofsted in conducting the inspections was not of a sufficient quality to merit an increase in fees.

### Question 3a: Do you agree with the proposed 10% increase in Registration/variation fees?

17. There were 16 responses to this question.

Table Q3a – All Respondents

	Yes	No	Not Sure
<b>All Respondents</b>	0	13 (81%)	3 (19%)

Table Q3b – Respondent Breakdown

	Local authority	Provider of children's homes	Voluntary organisation	Other
<b>Yes</b>	0	0	0	0
<b>No</b>	1	10	1	1
<b>Not Sure</b>	1	2	0	0

18. No respondents agreed with the proposal for a 10% increase in registration/variation fees.

19. 81% (13) of respondents did not agree with this proposal. 10 of the 13 'No' responses were children's homes providers.

### Question 3b: If you do not agree, please give your reasons.

20. Responses were very similar to question 1b and most reiterated those comments describing the pressure from local authorities over the past few years to reduce or maintain their fees, meaning that their fees have failed to keep pace with rising costs.

#### **Question 4: What consequence, if any, will a 10% increase in the Registration/variation fees have on your service?**

21. This question invited respondents to comment. Fifteen comments were made. Responses were very similar to question 2 and most reiterated those comments, i.e. that the extra money required for 2015-2016 fees and would have to be found either from within providers' existing budgets, or by increasing costs to local authorities.
22. A small number (3) thought that the increase would impact on the quality of care provided, or that the amount/standard of services/training they offer to local authorities and their own staff will be reduced.

## Next steps

23. The policy of moving towards full cost recovery for Ofsted inspection of children's social care settings was introduced to comply with HM Treasury guidance. Since 2009 inspection fees have been increased annually by 10% for those providers not at full cost recovery. Many providers, however, still pay significantly less than the cost of conducting their inspections. Given the wide gap between the cost of inspection and many providers' fees, the policy of an annual 10% increase in inspection fees represents a measured way of bringing fees closer to full cost recovery. The level of proposed annual increase has been designed to maintain stability in the markets and avoid over pressurising individual providers.
24. The proposal to increase the inspection fee in 2015-16 by 20% was to increase the pace towards achieving full cost recovery for those providers not already paying the full cost of their inspection. However, given the response to the consultation we have decided not to increase the inspection fee by 20% but will continue with the policy of an annual increase of 10%.
25. In keeping with the objective of full cost recovery, the registration/variation fees charged by Ofsted will increase by 10%.
26. Subject to Parliamentary approval, Regulations setting a 10% increase in fees in 2015-16 for providers not already paying the full cost of their inspection and setting a 10% increase in registration/variation fees, will come into force in April 2015.



## Annex A: List of organisations that responded to the consultation

Action for Children
Bracknell Forest Council
Excel Fostering Limited
Family Care Associates Ltd.
Harmony Children's Services
Hexagon Care Services
New Reflexions
Northern Care
PIC Children's Services
Prestige Adolescent Care & Education Ltd
ROC Northwest Ltd
SES Ltd
Social Care Services Group
Wellbeing Care and Learning



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