



Department
for Education

Early years childcare fees regulations

Government consultation response

March 2020

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Introduction

1. The consultation sought views on proposed changes to the fees paid to the Office for Standards in Education, Children's Services and Skills (Ofsted) by early years settings on the Early Years Register¹ as set out in [The Childcare \(Fees\) Regulations 2008](#) (the "2008 Regulations") which were amended by [The Childcare \(Fees\) \(Amendment\) Regulations 2010](#) (the "2010 Regulations"). These fees relate to the role and responsibilities of Ofsted in England under the Childcare Act 2006.
2. In particular, this consultation sought views on:
 - A proposed increase, from April 2020, to the application fee and the annual fee paid to Ofsted by early years settings on the Early Years Register
 - The principles that should underpin a revised Early Years Register fee model from April 2021
3. The online consultation ran for 12 weeks from 18 July to 9 October 2019.

¹ The Early Years Register is compulsory for those who care for children aged from birth to 31 August after the child's fifth birthday for more than two hours per day.

Summary of responses received

4. We received a total of 1012 responses to this consultation, which included responses from early years early years settings, local authorities, parents and carers, and sector representative and professional bodies. Table 1 provides a breakdown of the total number of respondents to this consultation by category. Of these, 927 respondents (92%) reported they are on Ofsted's Early Years Register. Table 2 provides a breakdown of respondents by Early Years Register category.

Table 1: Total number and percentage of responses by respondent type

Category	Number	Percentage
Early years childcare provider – single site	793	78%
Early years childcare provider – multiple sites	130	13%
Local authority	29	3%
Sector representative or professional body	9	1%
Parent/carer	13	1%
Other ²	30	3%
Not answered	8	1%
Total	1012	100%

Table 2: Number and percentage of responses on the Early Years Register by category

Provider category	Number	Proportion
Childminder	424	42%
Sessional provider	184	18%
Full day care provider	299	30%
Other ³	20	2%
Total	927	92%

5. 859 respondents said they are also registered on the General Childcare Register⁴. Of these, 815 respondents (81%) said they are registered on Part A of the General Childcare Register (compulsory register) and 499 respondents (49%) said they are registered on Part B of the General Childcare Register (voluntary register).

² Examples of "Other" include individuals who described themselves as a student or early years professional (e.g. practitioner, manager or head teacher)

³ In the vast majority of cases, those who selected "Other" often described themselves as offering a combination of early years provision – e.g. sessional care and full day care, or full day care and after school and holiday care.

⁴ The General Childcare Register has two parts: the compulsory register (part A) for those caring for children from 1 September after the child's fifth birthday up until their eighth birthday for more than two hours per day; and the voluntary register (part B) for those caring for children aged 8 and over, or those who are choosing to register voluntarily and meet the requirements for voluntary registration. Early years settings may register on both parts of the GCR.

Main findings of the consultation

6. The consultation sought views on a proposed increase (in line with inflation since 2010) to the application fee and annual fee paid to Ofsted by early years settings on the Early Years Register. Just over half (56%) did not agree that uprating fees in this way was a reasonable approach to implementing a fee increase in April 2020. However, a quarter (25%) of respondents agreed this would be a reasonable approach, and 18% of respondents said they were neutral.
7. In terms of a revised Early Years Register fee model from April 2021, nearly three quarters of respondents (73%) supported the principle of varying fees based on different categories. Of these, the strongest support was for a variable based on the type of early years setting – i.e. childminders vs groups-based provision. This was followed by the size of the early years setting based on number of places, and whether the setting operated on a single site or as part of a chain.

Question analysis

Early Years Register fees from April 2020

Question 11

To what extent do you agree that uprating fees for the Early Years Register in line with inflation since 2010 is a reasonable approach to implementing a fee increase in April 2020?

Table 3: Number and percentage of respondents who agree or disagree with uprating fees

	Number	Percentage
Strongly agree	44	4%
Agree	211	21%
Neutral	183	18%
Disagree	212	21%
Strongly disagree	352	35%
Not answered	10	1%
Total	1012	100%

8. Of the 1012 responses received on this consultation, 56% of respondents disagreed or strongly disagreed that uprating fees for the Early Years Register in line with inflation since 2010 is a reasonable approach to implementing a fee increase in April 2020. However, 25% of respondents agreed or strongly agreed it is a reasonable approach. In addition, 18% of respondents were neutral and 1% of respondents did not answer this question at all.

Question 12

Do you have any comments on the proposed level of increase in fees for providers on the Early Years Register from April 2020?

9. Comments were received from 734 respondents. The main themes emerging from respondents' comments related to the sustainability of early years settings in light of current funding rates for the early years entitlements, alongside other cost pressures such as staff salaries, pensions, insurance and other bills.

Government response

10. HMT guidance, [Managing Public Money](#), states that regulators (such as Ofsted) should aim to recover the economic cost of their activities through the fees they charge. Fees paid by early years settings on the Early Years Register have not changed in nearly a decade (since 2010) and the cost of inspection and regulatory activity continues to be heavily subsidised by the government. In the financial year 2018-19, we estimate that less than 20% of Ofsted's inspection and regulatory costs

associated with the Early Years Register were recovered through fee income paid by Early Years Registered settings⁵.

11. The fee increases proposed in the consultation for 2020-21 (see table 4) equate to a percentage increase of approximately 22% across all Early Years Register categories. This increase would be equivalent to £0.15 per week for childminders and sessional settings, £0.21 per week for sessional settings who are subject to the transitional arrangements, and £0.94 per week for full day care settings.

Table 4: Fee increase in 2020-21.

Band	Category	Current fee (since 2010)	New EYR fee from April 2020	Increase
1	Childminders	£35	£43	+£8
2	Sessional	£35	£43	+£8
-	Sessional subject to transitional arrangements	£50	£61	+£11
3	Full day care	£220	£269	+£49

12. The Department for Education has decided not to implement any fee increase from April 2020. Any future proposals to increase Early Years Register fees will be subject to a public consultation. In addition, any future decision on Ofsted fee increases will be taken in the context of the next Spending Review.

⁵ Based on Ofsted's income (£6.38m) and full cost (£36.87m) for Early Years in [Ofsted's Annual Report and Accounts 2018-19](#), which means Ofsted's income equates to 17% of its full cost.

New Early Years Register fees model from April 2021

Question 13

Do you support the principle of varying the Ofsted fee based on different categories of childcare provider?

Table 5: Number and percentage of respondents who support varying fees based on categories

	Number	Percentage
Yes	738	73%
No	146	14%
Don't know	125	12%
Not answered	3	0%
Total	1012	100%

13. Nearly three quarters of respondents (73%) supported the principle of varying fees based on different categories, while 14% of respondents did not support this principle and 12% of respondents said 'don't know'.
14. Respondents were invited to give reasons for their answer. Comments were received from 614 respondents who generally highlighted the fact that early years settings are operating in different contexts – e.g. that childminders operate with lower staff-to-child ratios in relation to early years children, which was often seen as corresponding to a lower income.

Question 14

To what extent do you agree that using the existing categories of childcare provider (as set out in Table 6 below) is the most suitable approach to determining the level of fee paid by providers on the Early Years Register?

Table 6: Current Early Years Register provider categories

Provider category	Description
Childminder	Provide childcare on domestic premises for reward, and may operate on non-domestic premises for up to half their time.
Sessional (including domestic group providers)	Early years childcare provision (other than childminding) operating for less than 3 hours per day, less than 5 days per week, or less than 45 weeks per year
Sessional providers subject to the transitional arrangements	Childcare providers (other than childminders) who automatically transferred on 1 September 2008 from the childcare register under Part 10A of the Children Act 1989 to one of the registers under Part 3 of the 2006 Act, and operate between 3 and 4 hours per day.
Full day care (including domestic group providers)	Early years childcare provision (other than childminding) operating for 3 hours or more per day, 5 days or more per week, and 45 weeks or more per year

Table 7: Summary of responses

	Number	Percentage
Strongly agree	120	12%
Agree	393	39%
Neutral	302	30%
Disagree	117	12%
Strongly disagree	69	7%
Not answered	11	1%
Total	1012	100%

15. Just over half of respondents (51%) agreed or strongly agreed that using the existing categories (Table 6) is the most suitable approach to determining the fee paid by Early Years Register settings. Less than a fifth (18%) disagreed or strongly disagreed. Nearly a third (30%) were neutral.

16. Respondents were invited to give reasons for their answer. Comments were received from 405 respondents who generally felt the current system was easy to understand.

Question 15

To what extent do you agree it is important to take each of the following variables into account in developing a new Early Years Register fee model?

Table 8: Summary of responses

Variable	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Not answered	Total
Childminders vs group-based providers	373	383	132	64	48	12	1012
	37%	38%	13%	6%	5%	1%	100%
Number of hours/days/weeks provider is operating	243	346	205	125	78	15	1012
	24%	34%	20%	12%	8%	1%	100%
Profit vs not for profit providers	280	256	194	132	138	12	1012
	28%	25%	19%	13%	14%	1%	100%
Size of provider (based on number of places)	367	337	153	77	68	10	1012
	36%	33%	15%	8%	7%	1%	100%
A single site provider vs part of a chain	407	275	162	85	73	10	1012
	40%	27%	16%	8%	7%	1%	100%

17. Over half of respondents agreed or strongly agreed that it was important to take each one of the variables we suggested into account when developing a new Early Years Register fee model:

- Childminders vs groups-based provision - 75% agreed or strongly agreed
- Size of provider (based on number of places) - 70% agreed or strongly agreed
- Single site provider vs part of a chain - 67% agreed or strongly agreed
- Number of hours/days/weeks provider operates - 58% agreed or strongly agreed
- Profit vs not-for-profit providers - 53% agreed or strongly agreed

18. Respondents were invited to give reasons for their answer. Comments were received from 466 respondents who generally re-emphasised whether or not they supported the different variables we suggested above.

Question 16

Are there other variables that you think should be taken into account in developing a new Early Years Register fee model?

	Total	Per cent
Yes	229	23%
No	340	34%
Don't know	415	41%
Not answered	28	3%
Total	1012	100%

19. Respondents who answered 'Yes' were asked to state what other variables they think should be taken into consideration. A minority of all respondents (153 respondents) suggested alternatives. The most popular of these were whether an early years setting offers funded places (23 respondents) and the number of children on roll (20 respondents).

Question 17

Please provide any further feedback on how we should develop and implement a new Early Years Register fee model.

20. Comments were received from 205 respondents. The most popular way suggested to develop a new fee model was to implement it alongside an increase in government funding rates for early years entitlements (33 respondents). Many comments also reinforced the variables the department suggested in question 15.

Question 18

Please provide any further feedback on how we could minimise the impact of future fee increases for providers on the Early Years Register.

21. Comments were received from 369 respondents and the most popular of these included: increasing government funding for early years entitlements (119 respondents), small increases based on inflation and phased in over time over a longer period (53 respondents), allowing early years settings to pay fees in instalments – e.g. monthly or every 6 months (34 respondents), providing plenty of notice of changes (20 respondents), and phasing/staggering the initial fee increase over a number of years (15 respondents).

Government response

22. The department plans to develop a new Early Years Register fee model with the aim of introducing the revised model from April 2021. The responses to questions 13 to 18 of this consultation will help us to develop detailed proposals for a revised fee model. The department also plans to undertake further engagement with sector stakeholders to develop proposals, which will be subject to a public consultation in due course.

Equalities assessment

Question 19

Please provide any representations and/or evidence on the potential impact of our proposals on people with protected characteristics⁶ for the purposes of the Public Sector Equality Duty (Equality Act 2010).

23. The department received comments from 131 respondents. Of those, 60 comments did not identify an impact, 38 comments did not relate to the Public Sector Equality Duty, and 2 comments were unsure whether there would be an impact.

24. However, 31 respondents (3% of those who responded to the consultation) highlighted a potential impact. Of these, 19 respondents expressed concern that a fee increase could have an impact on the quality of care for young children (including those with a disability), 5 cited sex, 4 cited pregnancy and maternity, and 3 cited age.

Government response

25. The fees paid to Ofsted by early years settings on the Early Years Register are set according to the different categories of childcarer, not according to service users. Childcarers remain responsible for ensuring their services comply with their legal responsibilities under the Equality Act 2010, as set out in the [Early Years Foundation Stage](#) statutory framework.

⁶ The protected characteristics are: age, disability, marriage and civil partnership, gender reassignment, pregnancy and maternity, race (including ethnicity), religion or belief, sex, and sexual orientation.



Department
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