

Business Engagement Assessment

Title of Proposal	<i>New inspection framework for children's homes</i>
Lead Regulator	<i>Ofsted</i>
Contact for enquiries	<i>Lisa Pascoe</i>

Date of assessment	<i>20/11/2014</i>
Net Cost to Business (EANCB):	<i>N/A</i>
Which area of the UK will be affected by the change(s)?	<i>England</i>
Does this include implementation of Red Tape Challenge commitments?	<i>No</i>

Stage of assessment	<i>Discussion</i>
Commencement date	<i>April 2015</i>
Price and Present value base years	<i>From April 2015</i>
Is this directly applicable EU or other international legislation?	<i>No</i>

Brief outline of proposed change in regulatory action

Driving up standards across the sector through the revised inspection judgements and criteria is intended to improve the experiences of some of the most vulnerable children and young people and support them to make the best possible progress.

We propose changing the judgement structure of the children's homes inspection framework. 'Requires improvement' will replace the previous 'adequate' judgement and the grade descriptors of 'good' will be the benchmark against which performance will be graded and judged.

The framework will take into account the new children's homes regulations as proposed by the Department for Education (DfE), available at:

www.gov.uk/government/consultations/childrens-homes-regulations-high-expectations-and-aspirations.

Where we judge a home to be inadequate, instead of a blanket policy to return for a full inspection within six to eight weeks we will make decisions about next steps based on the nature of the concerns. We will determine the timing and nature of the next visit and either carry out a further monitoring visit or schedule a full inspection. Any monitoring visit will result in a published report and could potentially provide sufficient evidence to secure an improved inspection judgement.

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

Introducing the judgement of 'good' as the benchmark and having a 'requires improvement' judgement brings children's homes in line with Ofsted's other inspection remits.

The changes are part of our programme of reform to ensure that our registration, inspection and enforcement practice in relation to children's homes is more robust, challenging and effective. Our explicit intention is to raise the bar as we define what 'good' looks like and to improve the quality of our inspections.

Our inspection framework needs to be updated to match the changes in children's homes legislation proposed for April 2015. The DfE consulted on its proposals from 19 September 2014 to 14 November 2014 (see link above) and this included an impact assessment outlining its rationale for changing the regulatory framework. The proposed inspection framework is underpinned by new regulations containing quality standards for the first time and sets out how Ofsted will take account of the new quality standards.

We currently carry out another full inspection within six to eight weeks for those homes judged inadequate. We are not convinced that this universal approach is helpful. We think a more individualised approach will ensure that we can take steps to ensure that children and young people are safe, sufficiently measure the impact of any improvements where concerns are serious and widespread and, in some instances, we will be able to reduce the amount of inspection activity. Some homes are judged inadequate because of serious concerns that cannot be ignored but as these are not widespread issues in many instances they can be, and are, rectified relatively quickly, for example fire risks, health and safety hazards, vetting processes or poor staffing levels (not just procedural issues/policy gaps). These can and do have a significant impact on children's welfare and safety but, as they can be rectified quickly, the home can secure an improved judgement at the follow-up inspection. In 2013-14 84% of children's homes judged inadequate improved at the following full inspection.

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

Providers who are registered with Ofsted to carry on children's homes will be affected. The legal basis for the regulation of children's homes is set out in the Care Standards Act 2000 and regulations made under section 22 of the Act. It sets out Ofsted's powers to register, inspect and, where necessary, enforce compliance with the Act and relevant regulations. It also defines children's homes in section 1 of the Care Standards Act 2000 as establishments that provide care and accommodation wholly or mainly for children.

There were 2,057 children's homes registered at 31 March 2014. The 2,057 homes were made up of the following provision sub-types; children's homes (1,953), secure children's homes (16) and residential special schools registered as children's homes (88). 25% of the children's homes (515 homes) were run by local authorities. Private providers ran 1,367 homes (66%) and voluntary organisations ran 175 homes (9%).

The judgement profile at 'full' inspections from 1 April 2013 to 31 March 2014.¹

Judgement at 'Full' inspection	Number of providers
Outstanding	258
Good	1,208
Adequate	544
Inadequate	128
Total	2,138

¹All children's homes receive at least two inspections per year as determined by The Her Majesty's Chief Inspector of Education, Children's Services and Skills (Fees and Frequency of Inspections) (Children's Home etc.) Regulations 2007. One of these is usually a full inspection and one is usually an interim inspection - see *Inspection of children's homes: framework for inspection from April 2014* (100195), Ofsted, 2014; www.ofsted.gov.uk/resources/100195.

How will the change impact these businesses?

The DfE's Impact Assessment, published as part of their consultation on regulatory reform on 19 September 2014, outlined the anticipated impact and benefit of their regulatory changes on children's homes providers.

We do not know what the impact of the new inspection framework will be on the judgement profile as we are delivering it at the same time as a full reform of the underpinning legislative framework.

The Ofsted inspection framework is not intended to be prescriptive about how a provider reaches 'good'; the focus of the framework is to articulate what 'good' progress and experiences for children and young people look like. How, or if, a provider chooses to achieve this standard is an individual business decision and could vary significantly depending on the type of service and the local circumstances.

Ofsted is not responsible for the commissioning practice of local authorities and inspection judgements are just one of the many factors that a local authority should take into account when finding the right place for a child or young person to live. However, we recognise that some commissioners may decide not to place children and young people in homes that are judged less than 'good' which will impact on income and business sustainability. We cannot quantify impact as this is an emerging issue and will vary dependent on individual local authority commissioning policies nor can we quantify the positive impact on homes that are judged good or better. Our view is that decisions should be based on what is right for individual children. We would be critical of local authorities that made decisions to move a child purely based on an inspection judgement without an individual assessment of that child's circumstances.

There are no changes to the frequency and tariff of children's homes inspections, so as a result there are no additional burdens/costs from this.

A risk-based approach to the re-inspection of homes judged inadequate will mean that the opportunity to secure an improved inspection judgement will vary depend on the nature of the concerns. Some homes will have a monitoring visit where we will have sufficient evidence to award an improved inspection judgement soon after their full inspection; others may be subject to a monitoring visit before their next full inspection. Where we undertake a monitoring visit, it will be published so that interested parties can access the latest information about the practice in the home. As this is a risk-based approach based on individual circumstances it is difficult to quantify the impact on those homes that are judged inadequate; however, we expect the amount of inspection activity for many inadequate providers will reduce.

We have not been able to quantify the monetary impact on sector businesses as this will vary considerably, depending on the quality of care the home is providing and the subsequent inspection judgement, local market conditions, the commissioning practices of local authorities, individual owner/business decisions and availability of suitable places within the local area.

Impact on small businesses

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 \(small and medium-sized enterprise\)?](#)

Questions about this Business Engagement Assessment

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 'Inspections of children's homes- consultation' in the subject line or you can complete an online version here: www.surveymonkey.com/r/BEA_CHs.

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.

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Q3. Have we considered the significant factors that may impact on providers of children's homes?

Yes <input type="checkbox"/>	No <input type="checkbox"/>
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Q4. If you have answered no, what else should we consider?

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

Individual <input type="checkbox"/>	Organisation <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 inspection of children's homes:
www.ofsted.gov.uk/resources/140174?