



Department  
for Education

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**Respond by 10 December 2013**  
**Ref: Department for Education**

# **Fees and Frequency of Inspections Regulations Consultation**

# Fees and Frequency of Inspections Regulations Consultation

The aim of this consultation is to seek the views of key stakeholders on proposed changes to the Fees and Frequency of Inspections Regulations, with a view to regulations coming into force in April 2014.

**To** Local authorities, providers/managers of children's homes, voluntary organisations, parents/carers, Ofsted, boarding/residential schools/colleges, family centres and holiday schemes.

**Issued** 13 November 2013

**Enquiries To** If your enquiry is related to the policy content of the consultation you can contact the Department on 0370 000 2288 or by email: [Feeandfreq1415Amendments.CONULTATION@education.gsi.gov.uk](mailto:Feeandfreq1415Amendments.CONULTATION@education.gsi.gov.uk)

## Contact Details

If your enquiry is related to the DfE e-consultation website or the consultation process in general, you can contact the Ministerial and Public Communications Division by email: [consultation.unit@education.gsi.gov.uk](mailto:consultation.unit@education.gsi.gov.uk) or by telephone: 0370 000 2288 or via the department's '[Contact us](#)' page.

## 1 Foreword

**1.1** The aim of this consultation is to seek 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. This will directly affect providers/managers of children's homes, voluntary adoption agencies, adoption support agencies, independent fostering agencies, local authority adoption and fostering functions, boarding schools, residential special schools, further education colleges, residential family centres and holiday schemes for disabled children.

## **1.2** This consultation seeks views on:

(a) Increasing inspection fees for children's social care and residential education providers by 10% in 2014-15, where they do not already pay the full cost of Ofsted conducting their inspection. This continues the policy, introduced in 2009, that providers should meet the full costs of inspections. See Annex A for a list of the fees to be charged by Ofsted for inspecting children's social care and residential education settings.

(b) Changing the frequency of the inspections of holiday schemes for disabled children so that these schemes that are judged by Ofsted to be 'outstanding' will only be inspected every two years.

## **2 Fees and Frequency for Inspections Regulations**

**2.1** The inspection fees charged by Ofsted for children's social care providers in 2010-11, 2011-12 and 2012-13 were set using a model for calculating fees developed by Ofsted in 2008-09 ("the 2008-09 Ofsted cost model"). Ofsted developed this model so that there was increased transparency for providers in how fees were set. Alongside this revision in the way fees were set, the policy of moving providers to the 'full cost recovery of fees' was introduced in line with HM Treasury guidance. This meant that those providers who were not paying the full cost of their inspection would receive an increase in fees of 10% annually until full cost had been reached.

**2.2** Although this policy has been in place for three years, it is clear that the majority of providers are still a long way from paying the full cost of their inspections. The current situation effectively means Ofsted is subsidising these inspections and therefore the market as a whole. Ofsted recognise that increasing costs in the current environment is difficult for providers and are therefore proposing that for next year they will maintain the current measured approach towards full cost recovery of a 10% increase per year for those providers not already paying the full cost of their inspection. Alongside this Ofsted have reduced expenditure across their back office and inspection support functions to ensure inspection costs are kept to a minimum.

**2.3** In 2010-11 Ofsted refined how they calculate the cost of inspection activities to better improve transparency and compliance with HM Treasury guidance. The cost of each inspection activity is calculated based on two key elements:

1. Number of inspection days (for each grade of inspector used) multiplied by

## 2. Day rates (for each grade of inspector used).

This provides a more accurate and readily understandable indication of the time and resource involved in each inspection activity. This model was used for the 2013-14 inspection year for most providers.

- 2.4** In response to the consultation on 2013-14 fees and the lack of explicit explanation of the revised cost model, those providers who were previously at full cost recovery under the 2008-09 model, maintained their capped fees for 2013-14. This included approximately 500 settings, such as residential family centres, residential further education colleges, residential special schools, boarding schools and independent fostering agencies. If the fees proposed in this consultation are accepted, these providers will see a 10% increase next year, ensuring that their fees move closer to full cost. Large children's homes received a reduction in fees last year as they were calculated as being at more than the full cost of inspection using the 2010-11 model. Their fees will remain the same for 2014-15.
- 2.5** This consultation also seeks views on DfE's proposal to change the frequency of inspections so holiday schemes for disabled children that have been given a judgement of "outstanding" on their last inspection will be inspected every two years, rather than annually. This reduces needless bureaucratic burdens and costs for these schemes which offer valuable specialised services to disabled children.

### ***Consultation questions***

- 1. Do you agree with the proposed 10% increase in fees? If you do not agree, please give your reasons**
- 2. What consequences, if any, will a 10% increase in your inspection fee have on your service?**
- 3. Do you agree that 'outstanding' holiday schemes for disabled children should in future be inspected every two years? If you do not agree, please give your reasons.**

## **3 Further sources of information**

- 3.1** You may be interested in the following links:

- Office for Standards in Education, Children's Services and Skills - [www.ofsted.gov.uk](http://www.ofsted.gov.uk)
- Association of Directors of Children's Services - [www.adcs.org.uk](http://www.adcs.org.uk)
- British Association for Adoption and Fostering - [www.baaf.org.uk](http://www.baaf.org.uk)
- Local Government Association - [www.local.gov.uk](http://www.local.gov.uk)
- Local Government Group - [www.local.gov.uk](http://www.local.gov.uk)
- Society of Local Authority Chief Executives - [www.solace.org.uk](http://www.solace.org.uk)

Local authorities - [www.direct.gov.uk/en/dl1/directories/localcouncils/index.htm](http://www.direct.gov.uk/en/dl1/directories/localcouncils/index.htm)

## **4 How To Respond**

- 4.1 Consultation responses can be completed online at [www.education.gov.uk/consultations](http://www.education.gov.uk/consultations) by emailing: [Feeandfreq1415Amendments.CONULTATION@education.gsi.gov.uk](mailto:Feeandfreq1415Amendments.CONULTATION@education.gsi.gov.uk) or by downloading a response form which should be completed and sent to:

Helen Kay, Children in Care, Children's Social Care Portfolio, Department for Education, Level 1 Sanctuary Buildings, Great Smiths Street, London SW1P 3BT.

## **5 Additional Copies**

- 5.1 Additional copies are available [www.education.gov.uk/consultations](http://www.education.gov.uk/consultations).

## **6 Plans for making results public**

- 6.1 The results of the consultation and the Department's response will be published on the Department for Education e-consultation website in December 2013.

# Appendix 1

## 1 Annual Fees 2014-15

### 1.1 Voluntary adoption agency

£1,048; or £556 in respect of each small branch.

#### Adoption support agency

£1,052, or small adoption support agency £556.

#### Independent fostering agency

£1,757

#### Children's home

- 3 or fewer approved places, £1,601
- 4 - 33 approved places £1,601. plus £159 for each approved place from the 4th to the 33rd place inclusive;
- More than 33 approved places, £6,399

#### Residential family centre

- 3 or fewer approved places, £1,066;
- 4 - 5 approved places £1,066, plus £134 for each approved place from the 4th to the 5th place inclusive;
- more than 5 approved places, £1,252

#### Boarding school

- 3 or fewer approved places, £696;
- 4 - 12 approved places £696, plus £42 for each approved place from the 4th to the 12th place inclusive;
- 13 - 50 approved places, £1,093;
- 51 - 500 approved places, £1,530;
- 501 - 800 approved places, £1,968;
- more than 800 approved places, £2,405.

#### Residential further education college

- 3 or fewer approved places, £696;
- 4 - 11 approved places £696, plus £42 for each approved place from the 4th to the 11th place inclusive;

- more than 12 approved places, £1,066

#### Residential special school

- 3 or fewer approved places, £1,280;
- 4 - 18 approved places £1,280, plus £127 for each approved place from the 4th to the 18th place inclusive;
- more than 18 approved places, £3,189.

#### Local authority adoption and fostering functions

- relevant adoption functions £1,278
- relevant fostering functions £1,997

#### Holiday schemes for disabled children

- £2,176