

 <b>Regulatory Policy Committee</b>	<b>Opinion</b>	
<b>Impact Assessment (IA)</b>	Amendments to Children’s Homes Regulations 2001	
<b>Lead Department/Agency</b>	Department for Education	
<b>Stage</b>	Consultation	
<b>IA Number</b>	-	
<b>Origin</b>	Domestic	
<b>Expected date of implementation (and SNR number)</b>	1 October 2013 (SNR 7)	
<b>Date submitted to RPC</b>	21/05/2013	
<b>RPC Opinion date and reference</b>	20/06/2013	RPC13-DfE-1800
<b>Overall Assessment</b>	<b>AMBER</b>	
<p><b>RPC comments</b></p> <p>The IA is fit for purpose. The IA should explain more clearly the magnitude of the problem under consideration, and also how this problem is expected to be addressed by what appears, in some instances, to be minimal changes to providers’ procedures. We also note that the IA does not contain a sufficient Small and Micro Business Assessment.</p>		
<p><b>Background (extracts from IA)</b></p> <p><b>What is the problem under consideration? Why is government intervention necessary?</b></p> <p>There are concerns about the safety of looked after children living in children’s homes. Children placed in homes outside their home communities are especially vulnerable, being more likely to run away and placed at risk of sexual exploitation. Information on home quality and safety is often difficult to observe by placing authorities, the responsibilities of providers and hosting and placing authorities is not clear, and relationships between actors in the system are not as close as they could be. Intervention is necessary to protect and improve the welfare of this vulnerable group of society.</p> <p><b>What are the policy objectives and the intended effects?</b></p> <p>For an improved system which provides high quality professional care providing a proportionate response to the severe needs of children relying on children’s homes’ support so that they are effectively safeguarded and have access to the full range of services they will need to enable them to reach their potential.</p>		
<p><b>Identification of costs and benefits, and the impacts on business, civil society organisations, the public sector and individuals, and reflection of these in the choice of options</b></p> <p><i>Costs to children’s homes.</i> The IA explains that concerns have been highlighted regarding the safety of children living in children’s homes and the quality of care they are receiving. The proposal, which introduces a number of new obligations on</p>		

children's homes, is expected to deliver a range of benefits, including more appropriate placement of children, improved quality of provision, and a reduction in the number of missing children. However, when discussing the expected costs of the proposed changes, the IA suggests that, for certain aspects of the proposal, the additional impact upon providers may be limited. This is because providers have indicated that some of the requirements are similar to their current practices. For example, with respect to policies for managing missing persons, providers *"all indicated that they already have policies in place"* (page 9) With respect to independent monitoring visits to children's homes, the IA explains that monitoring visits are already required and that many providers already appear to take advantage of independent assessors.

The Department has helpfully included feedback from five providers to assist in this assessment, but the wide range of views presented appears to add to the uncertainty regarding the additional impact of the proposed changes. The IA should explain more clearly the magnitude of the problem under consideration, and also how this problem is expected to be addressed by what appears, in some instances, to be minimal changes to providers' procedures. We note that the Consultation will be used to test and strengthen the assumptions provided by the selected providers.

**Comments on the robustness of the Small & Micro Business Assessment (SMBA)**

The proposals regulate business, and are intended to come into force after 1 April 2014 and, therefore, the SMBA is applicable.

The IA does not contain a sufficient Small and Micro Business Assessment. From July 2013 onwards this would have resulted in the IA being considered 'not fit for purpose'. The IA should include an assessment in line with the Better Regulation Framework Manual (Section 1.6).

**Comments on the robustness of the OITO assessment.**

The IA says that this is a regulatory proposal that is in scope of OITO and would impose a direct net cost to business (an 'IN'). Based on the evidence presented this is consistent with the current Better Regulation Framework Manual (paragraph 1.9.10) and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business will have to be strengthened so that it can be validated at final stage.

**Signed**



**Michael Gibbons, Chairman**