 Regulatory Policy Committee	Validation of the One-in, Two-out Status and the Net Direct Impact on Business		
Validation Impact Assessment (IA)	Raising the threshold for compulsory registration on the Early Years Register and General Childcare Register		
Lead Department/Agency	Department for Education		
IA Number	DFE0051		
Origin	Domestic		
Expected date of implementation	April 2014 (SNR7)		
Date of Regulatory Triage Confirmation	03 October 2014		
Date submitted to RPC	28 February 2014		
Date of RPC Validation	26 March 2014		
RPC reference	RPC13-DfE-1903(2)		
Departmental Assessment			
One-in, Two-out status	Zero Net Cost		
Estimate of the Equivalent Annual Net Cost to Business (EANCB)	N/A		
<table border="1"> <tr> <td data-bbox="225 1012 770 1160">RPC assessment</td> <td data-bbox="770 1012 1361 1160">VALIDATED</td> </tr> </table>		RPC assessment	VALIDATED
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Summary RPC comments The Validation IA is fit for purpose. Following the consultation responses the Department has modified its proposal. As the Department is unable to identify how many registered providers will be providing their friends with this service, while this measure is deregulatory, an assessment as Zero Net Cost seems reasonable.			
Background (extracts from IA) What is the problem under consideration? Why is government intervention necessary? <i>“Currently, anyone providing childcare for payment (or reward) for more than two hours a day is required to register on the Early Years Register or General Childcare Register. The Government proposes to amend the Childcare Exemption from Registration Order to increase the amount of time that a child can be looked after from two hours to three hours a day before a provider needs to register, where the care is provided in friendship and on domestic premises. This will support parents to make informal arrangements with their friends and neighbours. Two hours a day is overly restrictive for parents needing more informal care either side of the school day.”</i> What are the policy objectives and the intended effects? <i>“The policy objectives and intended effects are to help parents to make more</i>			

informal childcare arrangements with friends without requiring registration with Ofsted and subsequent inspection.

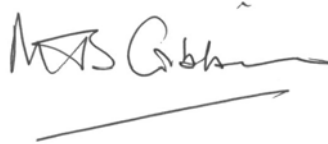
The broad policy direction for reforming the childcare registration system was set out in "More Affordable Childcare" on 16 July 2013. DfE consulted on a range of detailed proposals including raising the threshold for compulsory registration from two hours to three hours. However, a large number of respondents to the consultation raised concerns about deregistering formal sessional providers. The Government agrees with these concerns and has amended its proposals so that the three hour threshold will only apply to childcare provided in friendship and on domestic premises. Although the measure is deregulatory, it qualifies as Zero Net Cost on the basis that we are unable to identify how many of the 80,000 providers currently required to register with Ofsted are people who are looking after their friend's children. Nor can we quantify how many parents/friends will in future be able to take advantage of the new three hour threshold. Furthermore, these arrangements will essentially become private arrangements between individuals not businesses."

RPC comments

The IA proposed to amend the number of hours required to register with the Childcare registers from two to three hours. However, following the consultation responses, the Department has modified the proposals "*so that the new three hour threshold will only apply where care is provided in friendship and on domestic premises. Where care is provided under this exemption, it will essentially be private arrangements made between individuals.*" (page 3). The Department is unable to identify how many registered providers will be providing their friends with this service. Given the relatively small size of this change, it would not be proportionate for the Department to gather evidence through any additional work. Therefore, while this measure is deregulatory, an assessment as Zero Net Cost seems reasonable.

On this basis, we are able to validate the estimated EANCB.

Signed



Michael Gibbons, Chairman