



Department  
for Education

# **Fees and frequency of inspection regulations 2020 to 2021**

**Government consultation response**

**March 2020**

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## Introduction

1. The consultation sought 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 2015.
2. The consultation sought views on a 10% increase on current fees, for those settings where fees are not already at full cost recovery.
3. The online consultation took place between 14<sup>th</sup> January and 11<sup>th</sup> February 2020.
4. We received eight online responses to the consultation, which included responses from providers of children's homes, representative organisations, voluntary organisations and one local authority. A list of organisations that responded to the consultation can be found at Annex A.

## Summary of responses received

5. The consultation received eight responses. The table below provides a breakdown of the categories of respondents.

*Table 1: breakdown of respondent categories*

OFSTED	Provider of children's homes	Voluntary adoption agency	Voluntary organisation	Local Authority
1	1	4	1	1

## Main findings from the consultation

6. Seven out of eight (87.5%) respondents were not in favour of increasing fees by 10% where settings were not already at full cost recovery. The main themes emerging from respondents' comments were that:

- the increased fees will put additional pressure on the budgets of providers;
- it is difficult to increase income due to restricted local authority budgets; and
- ultimately increased costs risk channelling money away from the provision of services for children and young people and that this could have a particular impact on children/ previously looked after children with protected characteristics, whose care requires additional financial resources.

## Question analysis

### Question 7

#### Do you agree with the proposed 10% increases for 2020-21?

This question asked respondents to say whether, or not, they agreed with the proposed increase to fees.

Table 2: summary of responses

	Total	Percent
Agree	1	12.5%
Disagree	7	87.5%
Not answered	0	0%

### Question 8

#### How would the proposed 10% annual increase affect you as a provider?

7. This question invited respondents to comment. Eight comments were made. These are summarised in paragraph 6 above.

#### Government response

8. The majority of providers are a long way from paying the full cost of the inspection and regulatory activity undertaken by Ofsted. Although previous fee increases have closed the gap, there is still further to go. The majority of providers - around 70% - are still paying less than 50% of the full cost. This means that the taxpayer continues to subsidise the regulation of the majority of children's social care providers.
9. While recognising the views expressed in the consultation, given the wide gap between the cost of inspection and many providers' fees, the policy of an annual 10% increase in inspection fees represents a measured way of bringing fees closer to full cost recovery. The government wants to limit the financial burden placed on providers while moving towards the full cost recovery of fees. The level of proposed annual increase has been designed to maintain stability in the market and avoid imposing unsustainable pressure on individual providers.
10. Subject to Parliamentary approval, regulations setting a 10% increase in fees in 2020-21 for providers not already paying the full cost of their annual fee and setting a 10% increase in registration/variation fees (as set out at Annex B and Annex C) will come into force in April 2020. As in previous years, the annual fees for settings that have already reached full cost recovery level will be capped at the full-cost rate.

11. The annual fees and provider and manager registration fees for residential holiday schemes for disabled children remain capped at a reduced rate. This continues to represent a proportionate fee structure in relation to the operating model for this specific setting.
12. In the Government response to the consultation on the fees and frequency of inspection regulations 2019/20, we set out that a review of the basis on which fees are set at all levels (annual, registration and variation to conditions of registration) will be undertaken.
13. It is still the intention to undertake this review but any resulting revisions to the fee structure will not be implemented until April 2021 at the earliest. Any proposed changes to the fee structure will be fully consulted upon before implementation

# Equalities assessment

## Question 9

**Please provide any representations/evidence on the impact of our proposals for the purposes of the Public Sector Equality Duty (Equality Act 2010).**

14. We received five comments. Comments expressed concern that an increase in fees will have an impact on the quality of care for looked-after children, some of whom will have protected characteristics, including those with disabilities, as expressed in paragraph 6. In particular, increased fees could result in children with protected characteristics being discriminated against if they are kept at distance due to cost factors.

## Government response

15. The fee increases will apply equally across all affected children's social care settings. Fees are set according to types of setting and service provided, not according to service users. Those operating children's social care settings remain responsible for ensuring that their services comply with the Public Sector Equality Duty or otherwise with standards established by relevant legislation.

16. The existing Ofsted inspection framework has been impact assessed by Ofsted to ensure that children's services are provided in such a way that individuals with protected characteristics are not discriminated against and receive the services they need to the expected standards.

## **Annex A: List of organisations<sup>1</sup> that responded to the consultation**

- St Christopher's Fellowship
- Fertile Minds
- Family Futures VAA
- Placement Support SC369714
- East Sussex County Council LA
- OFSTED

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<sup>1</sup> Not including respondents who requested to remain confidential, were anonymous or responded in an individual capacity.



## Annex B: Proposed social care fees for 2020/21

Proposed annual inspection fees for 2020/21	2019/20 annual fee	2020/21 annual fee	Increase
Voluntary Adoption Agency (Small)	895	985	90
Voluntary Adoption Agency (Large)	1,689	1,858	169
Independent Fostering Agency	2,830	3,113	283
Adoption Support Agency (Small)	895	985	90
Adoption Support Agency (Large)**	1,694	1,750	56
Residential Family Centre (0-3)	1,717	1,889	172
Residential Family Centre (4) *	1,913	1,913	0
Residential Family Centre (5+) *	1,913	1,913	0
Children's homes (0-3)	2,578	2,836	258
Children's homes (4-25)	2,578	2,836	258
Children's homes (4-25) per place fee	257	283	26
Children's homes (26) **	8,489	9,285	796
Children's homes (27) **	8,746	9,285	539
Children's homes (28) **	9,003	9,285	282
Children's homes (29) **	9,260	9,285	25
Children's homes (30) *	9,285	9,285	0
Children's homes (31) *	9,285	9,285	0
Children's homes (32+) *	9,285	9,285	0
Boarding School (0-3) *	842	842	0
Boarding School (4-12) *	842	842	0
Boarding School (4-12) per place fee *	51	51	0
Boarding School (13-50) *	1,323	1,323	0
Boarding School (51-500) *	1,851	1,851	0
Boarding School (500+) *	2,223	2,223	0
Residential FE College (0-3)	1,121	1,233	112
Residential FE College (4-10)	1,121	1,233	112
Residential FE College (4-10) per place fee	68	75	7
Residential FE College (11) **	1,665	1,821	156
Residential FE College (12+) **	1,717	1,821	104
Residential Special School (0-3)	2,061	2,267	206
Residential Special School (4-15)	2,061	2,267	206
Residential Special School (4-15) per place fee	205	226	21
Residential Special School (16) **	4,726	5,007	281
Residential Special School (17) **	4,931	5,007	76
Residential Special School (18) *	5,007	5,007	0
Residential Special School (19+) *	5,007	5,007	0
LA Adoption functions **	2,059	2,059	0
LA Fostering functions **	3,216	3,216	0
Holiday Schemes for Disabled Children *	500	500	0

\* Full cost recovery achieved in 2019/20 or earlier.

\*\* Proposed 2020/21 fees capped at full cost.

## Annex C: Proposed registration/variation fees for 2020/21

### Proposed registration/variation fees for 2020/21

#### Children's Home (small)

Type	2019/20 fees	2020/21 fees	Increase
Provider registration	960	1,056	96
Manager registration	No fee	No fee	No fee
Minor variation	160	176	16
Variation requiring visit*	910	910	0

#### Children's Home (large)

Type	2019/20 fees	2020/21 fees	Increase
Provider registration*	2,646	2,646	0
Manager registration*	910	910	0
Minor variation	160	176	16
Variation requiring visit*	1,322	1,322	0

#### Voluntary Adoption Agency (small)

Type	2019/20 fees	2020/21 fees	Increase
Provider registration	667	734	67
Manager registration	No fee	No fee	No fee
Minor variation	111	122	11
Variation requiring visit	667	734	67

#### Voluntary Adoption Agency (large)

Type	2019/20 fees	2020/21 fees	Increase
Provider registration**	2,445	2,646	201
Manager registration	No fee	No fee	No fee
Minor variation	111	122	11
Variation requiring visit*	919	919	0

#### Independent Fostering Agency

Type	2019/20 fees	2020/21 fees	Increase
Provider registration*	2,646	2,646	0
Manager registration*	910	910	0
Minor variation	160	176	16
Variation requiring visit*	1,322	1,322	0

**Adoption Support Agency (small)**

Type	2019/20 fees	2020/21 fees	Increase
Provider registration	667	734	67
Manager registration	No fee	No fee	No fee
Minor variation	111	122	11
Variation requiring visit	667	734	67

**Adoption Support Agency (large)**

Type	2019/20 fees	2020/21 fees	Increase
Provider registration**	2,445	2,646	201
Manager registration	667	734	67
Minor variation	111	122	11
Variation requiring visit*	919	919	0

**Residential Family Centre (small)**

Type	2019/20 fees	2020/21 fees	Increase
Provider registration	801	881	80
Manager registration	No fee	No fee	No fee
Minor variation	133	146	13
Variation requiring visit	801	881	80

**Residential Family Centre (large)**

Type	2019/20 fees	2020/21 fees	Increase
Provider registration*	2,646	2,646	0
Manager registration	801	881	80
Minor variation	133	146	13
Variation requiring visit*	1,102	1,102	0

**Holiday Schemes for Disabled Children**

Type	2019/20 fees	2020/21 fees	Increase
Provider registration *	596	596	0
Manager registration *	596	596	0
Minor variation	No fee	No fee	No fee
Variation requiring visit	No fee	No fee	No fee

\* Full cost recovery achieved in 2019/20 or earlier.

\*\* Proposed 2020/21 fees capped at full cost



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