



Department
for Education

Fees and frequency of inspection regulations 2019 to 2020

Government consultation response

April 2019

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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 7th January and 18th February 2019.
4. We received eight online responses to the consultation, which included responses from providers of children's homes, representative organisations and voluntary organisations. 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

Provider of children's homes	Registered manager of children's home	Voluntary adoption agency	Voluntary organisation	Other
2	1	1	3	1

Main findings from the consultation

6. 75% of 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;
 - this is not helpful at a time when expansion of the sector is required;
 - the resulting increased costs will be passed on to local authorities by providers; and
 - ultimately increased costs risk channelling money away from the provision of services for children and young people.
7. One respondent agreed with the fee increases, commenting that the additional cost would be absorbed through budget adjustments.

Question analysis

Question 7

Do you agree with the proposed 10% increases for 2019-20?

This question asked respondents to say whether or not they agreed with the proposed increase to fees, on a scale of strongly agree to strong disagree.

Table 2: summary of responses

	Total	Percent
Strongly agree	0	
Agree	1	13%
Neither agree nor disagree	0	
Disagree	2	25%
Strongly disagree	4	50%
Not answered	1	13%

Question 8

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

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

Government response

9. The majority of providers are a long way from paying the full cost of the regulatory activity undertaken by Ofsted. A number of providers are paying less than 25% of full cost recovery with the vast majority paying less than 50% of full cost recovery. This means that taxpayers continue to subsidise providers' regulation, in the majority of children's social care settings.

10. 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.

11. Subject to Parliamentary approval, regulations setting a 10% increase in fees in 2019-20 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 May 2019. 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.
12. The annual fees for residential holiday schemes for disabled children remain capped at a reduced rate and the provider and manager registration fee remains the same as 2018-19. This continues to represent a proportionate fee structure in relation to the operating model for this specific setting.
13. In the Government response to the consultation on the fees and frequency of inspection regulations 2018-19, we set out that Ofsted would undertake a review of the basis on which fees are set at all levels (annual, registration and variation to conditions of registration).
14. Ofsted will still undertake this review but any revisions to the fee structure will not be implemented until April 2020, 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).

15. We received four 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.

Government response

16. 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.

17. 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 organisations¹ that responded to the consultation

- Action for Children
- Family Society – Adoption Focus
- Holistic Approach Ltd
- Independent Children’s Homes Association
- The National Association of Independent Schools & Non-Maintained Special Schools (NASS)
- Plus One (South West) Ltd
- St Christopher’s Fellowship

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

Annex B: social care fees for 2019-20

Proposed annual inspection fees for 2019-20	2018-19 annual fee	2019-20 annual fee	Increase
Voluntary Adoption Agency (Small)	814	895	81
Voluntary Adoption Agency (Large)	1,535	1,689	154
Independent Fostering Agency	2,573	2,830	257
Adoption Support Agency (Small)	814	895	81
Adoption Support Agency (Large)	1,540	1,694	154
Residential Family Centre (0-3)	1,561	1,717	156
Residential Family Centre (4) **	1,757	1,913	156
Residential Family Centre (5+) **	1,834	1,913	79
Children's homes (0-3)	2,344	2,578	234
Children's homes (4-29)	2,344	2,578	234
Children's homes (4-29) per place fee	234	257	23
Children's homes (30) **	8,670	9,285	615
Children's homes (31) **	8,904	9,285	381
Children's homes (32+) **	9,107	9,285	178
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)	1,019	1,121	102
Residential FE College (4-11)	1,019	1,121	102
Residential FE College (4-11) per place fee	62	68	6
Residential FE College (12+)	1,561	1,717	156
Residential Special School (0-3)	1,874	2,061	187
Residential Special School (4-17)	1,874	2,061	187
Residential Special School (4-17) per place fee	186	205	19
Residential Special School (18) **	4,664	5,007	343
Residential Special School (19+) **	4,670	5,007	337
LA Adoption functions	1,872	2,059	187
LA Fostering functions	2,924	3,216	292
Holiday Schemes for Disabled Children *	500	500	0

* Full cost recovery achieved in 2018-19 so no increase in 2019-20 fees

** Proposed 2019-20 fees capped at full cost

Annex C: registration/variation fees for 2019-2020

Children's Home (small)

Type	2018-19 fee	2019-20 fee	Increase
Provider registration	873	960	87
Manager registration	no fee		
Minor variation	145	160	15
Variation requiring visit **	873	910	37

Children's Home (large)

Type	2018-19 fee	2019-20 fee	Increase
Provider registration *	2,646	2,646	0
Manager registration **	873	910	37
Minor variation	145	160	15
Variation requiring visit *	1,322	1,322	0

Voluntary Adoption Agency (small)

Type	2018-19 fee	2019-20 fee	Increase
Provider registration	606	667	61
Manager registration	no fee		
Minor variation	101	111	10
Variation requiring visit	606	667	61

Voluntary Adoption Agency (large)

Type	2018-19 fee	2019-20 fee	Increase
Provider registration	2,223	2,445	222
Manager registration	no fee		
Minor variation	101	111	10
Variation requiring visit *	919	919	0

Independent Fostering Agency

Type	2018-19 fee	2019-20 fee	Increase
Provider registration *	2,646	2,646	0
Manager registration **	873	910	37
Minor variation	145	160	15
Variation requiring visit *	1,322	1,322	0

Adoption Support Agency (small)

Type	2018-19 fee	2019-20 fee	Increase
Provider registration	606	667	61
Manager registration	no fee		
Minor variation	101	111	10
Variation requiring visit	606	667	61

Adoption Support Agency (large)

Type	2018-19 fee	2019-20 fee	Increase
Provider registration	2,223	2,445	222
Manager registration	606	667	61
Minor variation	101	111	10
Variation requiring visit *	919	919	0

Residential Family Centre (small)

Type	2018-19 fee	2019-20 fee	Increase
Provider registration	728	801	73
Manager registration	no fee		
Minor variation	121	133	12
Variation requiring visit	728	801	73

Residential Family Centre (large)

Type	2018-19 fee	2019-20 fee	Increase
Provider registration *	2,646	2,646	0
Manager registration	728	801	73
Minor variation	121	133	12
Variation requiring visit *	1,102	1,102	0

Holiday Schemes for Disabled Children

Type	2018-19 fee	2019-20 fee	Increase
Provider registration *	596	596	0
Manager registration *	596	596	0
Minor variation	no fee		
Variation requiring visit	no fee		

* Full cost recovery achieved in 2018-19 so no increase in 2019-20 fees

** Proposed 2019-20 fees capped at full cost



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