

Children’s Wellbeing and Schools Bill

Lead department	Department for Education
Summary of proposal	The Bill proposes measures that aim to reform the regulation of independent schools, improve the education system to make it more consistent and safer for every child and strengthen regulation and oversight in the children’s social care sector.
Submission type	Impact Assessment – 3 rd January 2025
Legislation type	Primary legislation
Implementation date	2025
RPC reference	RPC-DfE-24016-IA(1)
Date of issue	31 January 2025

RPC opinion

Rating	RPC opinion
Fit for purpose	As originally submitted, the IAs in respect of the Bill were not fit for purpose. The Department has now provided a proportionate assessment, in line with the low business impact expected from the proposals, that provides sufficient evidence of the problem under consideration, identifies a range of long-listed and short-listed options and justifies the preferred way forward within each individual IA, explaining the methodology behind the analysis.

Urgent measure statement

The department has used the Better Regulation Framework's 'urgent measures' process for this provision. Where the Government decide that legislation is required urgently and there is insufficient time ahead of seeking collective agreement for a preferred regulatory option, and the necessary options assessment (OA) to be submitted to the RPC for independent scrutiny in accordance with the framework, departments are, instead, required to submit an impact assessment (IA) for scrutiny as early as possible after obtaining collective agreement. The IA should contain evidence, which should have been in set out in the OA, on the rationale, identification of options and the justification for preferred way forward. The RPC then offers an opinion that includes an overall fitness-for-purpose (red/green) rating, informed by the individual red/green ratings for those three categories.

RPC summary

Category	Quality	RPC comments
Rationale	Green	The IA sufficiently outlines the problem under consideration for each individual regulatory provision and uses a wide range of evidence to support these existing problems. The IA sets out the argument for intervention, outlining the negative externalities present in the children's social care sector and schools. The IAs discuss several objectives, some of which meet the SMART framework.
Identification of options (including SaMBA)	Green	The IAs present a range of different long-list options for each individual regulatory provision, including options that vary based on scope, the levels of powers available and options that incrementally build up to the preferred option. The IAs would benefit from using the Green Book's options framework-filter when considering the long-list. The majority of the IAs reference critical success factors to justify the selection of the shortlisted options, although some could improve their application of the critical success factors. The IAs provide a sufficient SaMBA.
Justification for preferred way forward	Green	The Department has identified and monetised the impact of the Bill on the schools and children's social care sector, providing an NPSV estimate for the majority of individual measures included in the Bill. The IAs could benefit from explaining further the methodology and assumptions that underpin the assessments. The majority of the IAs explain qualitatively the trade-offs that have been made between the shortlisted options to support the selection of the preferred option in each individual IA.
Regulatory Scorecard	Satisfactory	The IAs provide a satisfactory scorecard, summarising the impacts of the proposal on business, household, total welfare and government priorities. The Department could clarify the presentation of headline NPSV figures and consider some missing total welfare impacts.
Monitoring and evaluation	Weak	Although some of the IAs provide a good discussion on the data sources that will be

used in reviews, [some of] the plans are generally lacking in detail.

Summary of proposal

The Children’s Wellbeing and Schools Bill (or “the Bill”) aims to deliver manifesto commitments to remove barriers to opportunity and raise school standards to ensure the school system is fair for every child. It also aims to deliver manifesto commitments on children’s social care to strengthen regulation so that it works in the best interests of all children.

The Department has defined six measures in the Bill as regulatory provisions, as these relate to business activity, in line with the definition of a regulatory provision in the Better Regulation Framework guidance. The RPC focuses its scrutiny on these regulatory provisions, so these measures form the basis of the opinion below. These measures are:

- a) Financial Oversight Scheme: children’s social care
- b) Provider oversight for children’s social care placement provision
- c) Profit capping powers – children’s social care market
- d) Children not in school
- e) Strengthening regulation of independent education institutions
- f) Teacher regulation – strengthening the teacher misconduct regime

These IAs have been grouped into the following two categories within the Bill:

Tackling profiteering in the children’s placements market: The Bill includes measures that will strengthen regulation so that children’s social care works in the best interests of all children. This includes establishing a ‘Financial Oversight Regime’ to increase financial and corporate transparency of difficult-to-replace care providers and their corporate owners, as well as a ‘Provider Oversight Regime’; enabling the Secretary of State for Education to implement a cap on the profits of non-local authority providers of children’s social care in the future, if other market intervention measures do not have the desired effect.

Creating a safer and higher-quality education system for every child: The Bill includes measures to support the Government’s commitment to raise school standards for every child by supporting attendance and quality education across all institutions. This includes establishing the duty for local authorities to have and maintain Children Not in School registers; changes to the regulation and inspection of independent education institutions; and improving investigation of serious teacher misconduct.

The regulatory provisions present a varying range of options in the individual IAs, including do-minimum, non-regulatory options and other viable alternatives. The Summary IA estimates that the implementation of the regulatory provisions arising from primary and related secondary legislation will result in a total EANDCB figure of £1.0m, with an NPSV of -£47.1m. These impacts include familiarisation costs, administrative costs and reporting costs, which will be borne by independent schools, online educational providers and businesses in the children's social care sector.

Response to initial review

As originally submitted, the IA was not fit for purpose for the following reasons:

1. Lack of evidence to support the problems under consideration in the rationale for intervention.
2. Not demonstrating sufficiently how a long list of options had been narrowed down to produce the short-list. This included IAs where there was insufficient generation of long-list options and only the do-nothing and preferred options were subject to short-list appraisal, and IAs where a long-list of options had been generated but there was insufficient justification for the elimination of options from the long-list.
3. Insufficient assessment of impacts from the short-listed options preventing adequate justification of the preferred way forward. For some IAs, this was due to a lack of alternative options in the short-list and for others this related to insufficient quantification of shortlisted options.
4. Not providing suitable explanation of the methodology and assumptions that underpinned their assessments, preventing adequate justification of the preferred way forward.
5. Not providing a sufficient SaMBA, and not providing a suitable assessment of the potential impacts of the proposal on SMBs.

The Department has now:

1. used a wide range of evidence to demonstrate the problems being addressed by the Bill;
2. presented a range of different long-list options for each individual regulatory provision and details the shortlisted options for each individual measure, providing a qualitative explanation of why the other long-listed options have been discounted. The majority of IAs reference critical success factors to justify the selection of the shortlisted options;
3. identified and monetised the impacts of all shortlisted options for the majority of IAs within the Bill, presenting NPSV estimates which allow for comparison between the shortlisted options;
4. provided suitable explanation of the data and assumptions used to model the impacts; and

5. provided a sufficient SaMBA, appropriate justification against exemption (or applying a natural exemption), and explaining the limited burdens faced by a small number of businesses as a result of the regulations.

Rationale

Problem under consideration

The IAs outline sufficiently the problem under consideration for each individual regulatory provision and uses a wide range of evidence to support these existing problems, including reports from the Local Government Association, Child Safeguarding Practice Review Panel, and Competition and Markets Authority, as well as utilising evidence from relevant case studies.

Some IAs present limited evidence and could be improved by developing further the evidence base to support the problem under consideration. For example, e) could provide further detail on the case-studies of unsuitability to illustrate the existing gap in checking the suitability of proprietors and could provide specific evidence to demonstrate the potential lack of safety in settings not currently registered as independent schools. The IAs also could consider drawing on evidence from PIRs for existing legislation (if relevant) to support the problem under consideration.

However, overall, the IAs have provided evidence proportionate to the potential impact of the individual measures and fully explain and justify any evidence gaps (such as a lack of available statistical evidence in f)). The comments for individual IAs are set out in detail at Annex A.

Argument for intervention

The Summary IA sets out the argument for intervention, outlining the negative externalities present in the children's social care sector and schools. In particular, the IA states that the provision of social care and education are merit goods as they result in higher societal benefits. Similarly, d) also focuses on information asymmetries and principle-agent issues that exist when local authorities are not able to identify children not in school. The IAs could benefit from providing supporting evidence and analysis to strengthen these arguments.

The summary IA also argues that the children's social care sector is a public good but could benefit from clarifying this classification in line with the definition of a public good, confirming how the sector is non-exclusive and non-rivalrous.

Objectives and theory of change

The IAs discuss several objectives which are consolidated in the summary IA, some of which meet the SMART framework (IAs b), d) and f)). However, while the Department explains that several objectives cannot be given specific timescales due to dependence on the parliamentary processes, IAs a), c) and e) could still benefit from applying fully the rest of the SMART objectives framework when forming the objectives. In particular, the objectives for several interventions in e) are high-level and not specific.

IAs d)-f) helpfully present theory of change diagrams, but the IA could benefit from ensuring this is also included in IAs a) and b). Equally, whilst c) provides a theory of change diagram for the six underpinning market measures, it would also benefit from providing a diagram for the proposed policy intervention covered in the IA. Similarly, the summary IA could benefit from presenting an overarching theory of change diagram which shows how the inputs and outputs of the individual measures interact.

Identification of options (inc. SaMBA)

Identification of the 'long-list' of options

The Department presents a range of different long-list options for each individual regulatory provision, including options that vary based on scope, the levels of powers available and options that incrementally build up to the preferred option. The Department details these options in the individual IAs, qualitatively describing what the different options would involve and their associated risks. The IAs could benefit from using the Green Book's options framework-filter when considering the long-list options to show how they have been constructed at an early stage alongside stakeholder engagement. Some of the long-listed options appear arbitrary (such as the narrow difference between the options for *Ofsted's* inspection powers in e)) and using the Green Book tool would have helped to set out the process that was followed to generate these options.

The Department has also considered alternative non-regulatory options throughout the majority of the individual IAs, with a number of IAs carrying alternative options through to the short-list. These non-regulatory options include producing non-statutory guidance and strengthening departmental correspondence to encourage voluntary action. IA a) does not include a non-regulatory alternative option and would be improved by considering alternatives to regulation within its long-list. All individual IAs justify why non-regulatory options are not preferred to regulatory change.

Justification for the short-listed options

The Department details the short-listed options for each individual measure and provides a qualitative explanation of why the other long-listed options have been discounted. The majority of IAs reference critical success factors to justify the selection of the shortlisted options. A number of IAs could also improve their application of the critical success factors, as these are either provided only in the shortlist, not fully explained or do not align with the specific key critical success factors as set out in the Green Book. This would help the options to provide a clear argument for why certain options were discounted. The Summary IA states that for all measures included in the IA, primary legislation is the preferred option.

SaMBA and medium-sized business assessment

The IAs provide a sufficient SaMBA. IAs a) and d) have natural exemptions, as the regulations apply to only 40 of the most difficult to replace providers or on a specific request basis respectively. The remainder of IAs provide sufficient justification

against exemption, as summarised in the summary IA. The argument focuses mainly on the minimal burdens faced by business as a result of the regulation, and the fact that exemption would run contrary to the safeguarding objectives of the measures. The IAs would be improved by considering the potential number of SMBs on which the proposals have an impact. However, several of the IAs explain the limitations with producing this estimate and as the expected impact of these measures is low overall, the existing assessment is considered sufficient and proportionate.

Justification for preferred way forward

The Department has identified and monetised the impact of the IAs on the schools and children's social care sector, providing an NPSV estimate for the majority of individual measures included in the Bill, which is set out in the summary IA. IA f) could also benefit from providing any indicative estimates of Option 2 to compare against the preferred option.

The IAs have calculated the NSPV in accordance with Green Book guidance, providing a brief explanation of the data and assumptions used to model the impacts. The IAs could benefit from more detailed explanation of the methodology and assumptions that underpin the assessments. The IAs acknowledge a degree of uncertainty surrounding their NPSV estimates, and a number of IAs account for this by applying sensitivity analysis. The IAs would be improved by the inclusion of sensitivity analysis for all individual measures, testing the impact of a wider variety of variables on the value for money of the proposals.

The IAs explain qualitatively the trade-offs that have been made between the short-listed options to support the selection of the preferred option in each individual IA. However, several IAs could benefit from further expanding their argument to support the selection of the preferred option. This could be particularly beneficial for e), where the NPSV is estimated to be the same for all short-listed options. Furthermore, b) could provide further evidence to demonstrate the reduced costs for implementing the improvement plan in the preferred option, as this is the main argument for the preferred option compared to Option 3. Similarly, as the main argument for it compared to Option 3 in d) appears to be the increased safety, the IA could expand on the potential safety benefits in its selection of the preferred option. In particular, the Department could utilise the summary IA (if useful) to consolidate the risks and trade-offs that have been made across all measures in the Bill. The summary IA sets out clearly which impacts of the measures come into force directly as a result of the Bill and which measures will be enacted via secondary legislation. The Department has provided a full assessment of impacts for most measures (see IA c) as the exception below), constituting a Scenario 1 assessment for primary legislation, in accordance with RPC guidance.

IA c) provides the weakest justification for the preferred way forward. Whilst the measure presents minimal business impacts, the IA does not provide an NPSV estimate for the preferred option and should provide further qualitative or early monetised estimates to indicate the scale of potential impact. Furthermore, the

comparison of the preferred option against other short-listed options is limited and lacks sufficient quantification or qualitative analysis. As the impacts from this measure are wholly dependent on secondary legislation, and make up a proportion of the overall Bill, this brief assessment meets the minimum criteria for a scenario 2 assessment, in line with RPC guidance. However, the IA should improve its justification for the preferred option compared to the other short-listed options, at least qualitatively or through indicative analysis. More detail on this IA can be found at Annex A.

SaMBA and medium-sized business assessment

The IAs discuss the potential impacts of the proposal on SMBs as part of the SaMBA. This assessment has been conducted to a satisfactory level, as the IAs consider the level of burdens that will be placed on SMBs, and whether these are proportionate. The IAs would be improved by providing further consideration of potential mitigations to address any potential disproportionate impacts, such as phased implementation strategies or simplified compliance for SMBs. This could be particularly useful for IA e).

Regulatory Scorecard

Part A

Total impacts

Despite the negative monetised NPSV (-£47.1m), the Department indicates that it expects the regulatory provisions to have a positive impact on total welfare, as there are a number of significant non-monetised benefits. The summary IA outlines that costs are likely to be offset by the positive safety, wellbeing, education and financial benefits to children and families. The IAs also helpfully provides indicative estimates of these benefits, such as NSPCC data on the lifetime costs per victim of non-fatal child maltreatment.

IA b) would be improved by clarifying the presentation of headline NPSV figures, ensuring that this figure captures total impacts, including the business NPV estimate. This is explained further at Annex A.

The IAs could also be improved by considering some missing total welfare impacts. For instance, a) could include the operating costs faced by local authorities from overseeing the scheme and d) does not include the costs faced by local authorities for triggering additional school attendance orders. Furthermore, f) does not include the additional admin cost faced by Teaching Regulation Agency (TRA). These IAs could further consider and discuss these impacts, providing any qualitative estimates to support their scale.

Impacts on business

The EANDCB calculation correctly identifies and monetises the direct impacts on business, in line with RPC guidance. The IA estimates an annual net cost to

business of £1.0m, consisting of impacts including admin costs from complying with new regulation and familiarisation costs.

IA c) has not monetised impacts on business and, therefore, has not presented an EANDCB metric. However, the IA would benefit from providing indicative estimates for the impacts to business, including the potential reporting cost for providers.

Impacts on households, individuals or consumers

The EANDCH calculation correctly identifies and monetises the direct impacts to households, in line with RPC guidance. The IA estimates an annual net cost to households of £2.8m (regulatory provisions only), consisting of impacts such as familiarisation and reporting costs to parents and loss of income to teachers.

The Summary IA states that there may be pass-through impacts from the costs imposed on independent schools and education providers by some measures of the Bill, potentially leading to higher costs for households (e.g. increased school fees). However, these impacts have not been quantified or included in the EANDCH, with the relevant individual IAs discussing them qualitatively..

The IAs should ensure that all costs to teachers have been included in the EANDCH metric, as f) does not include the costs faced by teachers for providing additional information. Furthermore, IA d) should also ensure that the cost of fines to parents who do not provide the necessary information is removed from the EANDCH as this reflects a cost of non-compliance.

Distributional impacts

The IAs consider a range of distributional impacts, such as those on protected groups, including religious groups.

Part B

The Department considers the impact of the proposals on wider government priorities, stating that there will not be any direct impacts on international trade, natural capital and decarbonisation. The summary IA also rates the impact of the Bill on business environment as neutral, as any impacts the Bill may have on business environment are expected to be offset by other positive business or market impacts.

The Department could benefit from expanding its assessment of the impact of IAs a) and c) on competition, as these measures directly impact the business activities undertaken by providers, meaning the demand and supply mechanisms will interact differently in a new competitive market equilibrium. Furthermore, as several IAs place burdens on independent schools and children's social care providers, the policies could result in barriers to entry, making it harder for new businesses to operate in these markets. The summary IA could benefit from discussing this overall impact. The comments for individual IAs are set out in detail at Annex A.

Monitoring and evaluation

The RPCs assessment for monitoring and evaluation can be found in Annex A. The Department should ensure that all IAs include a clear commitment and timetable for conducting their evaluations or post-implementation reviews. Although some of the IAs provide a good discussion on the data sources that will be used in their reviews, some of the plans are generally lacking in detail, particularly in setting out, at least initially, the questions the review will aim to address and the possible metrics that will be gathered in the data collection.

Annex A: Individual measures

Measure	Rationale for intervention	Identification of options (including SaMBA)	Justification for preferred way forward	Regulatory scorecard'	Monitoring and evaluation
Financial Oversight Scheme: Children's Social Care	<p>The IA sets out the problem under consideration, explaining that the market for independent children's social care provision is large and lacking transparency and risks disruption to looked after children. The IA provides evidence of the dynamic market through the Local government association study and references the collapse of Southern Cross (2011) as case study evidence. The IA also demonstrates the risk this poses to children, referencing research on placement changes and aggression. However, as the overall aim of the proposal is to reduce negative outcomes for children (rather than changing the nature of the market) the IA could benefit from expanding the evidence base to better illustrate the current risk faced by looked after children. The IA</p>	<p>The IA considers six longlisted options but does not discard any of these to produce the short-list. The IA could therefore have benefitted from narrowing down the longlisted options to justify a selected shortlist. The IA discusses a voluntary scheme but could benefit from including this as a long-list option, helping to differentiate the long-list from the short-list. The IA also could have benefitted from using the Green Book's options framework-filter to show how the long-list options have been constructed at an early stage alongside stakeholder engagement. The IA RAG rates the options but could have fully</p>	<p>The IA provides an NPSV estimate for all options and briefly explains the methodology that underpins the analysis for the preferred option. Options 2 and 3 have a larger NPSV than the preferred option, but the IA explains this is because they cover a smaller number of providers, meaning they are not preferred as they do not offer the most proportionate balance between monitoring risk and administrative burden on providers. The IA would be improved by expanding its assessment of benefits, particularly focusing on the benefit from avoiding or mitigating provider failures. The IA could use historical data on existing provider</p>	<p>The IA provides a satisfactory scorecard, summarising the impacts of the proposal on business, household, total welfare and government priorities. The IA discusses a non-monetised benefit for local authorities in the household section of the scorecard, an impact that would be better placed in the total welfare section. The IA could also benefit from considering the operating costs faced by local authorities from overseeing the scheme. The IA discusses the impacts of the proposal on competition, stating that it could result in increased market diversity benefitting smaller producers, as well as discussing the</p>	<p>The IA outlines several data sources and research questions that will be used in the evaluation but could benefit from providing further detail on this data and how it will be gathered, such as providing more detail on the 'market insights' that will be used. The IA could also include metrics that will be used. The plan could also be more focused towards the objectives of the</p>

	<p>could also explore historical data on provider failures and the number of children impacted as a consequence. The IA could also benefit from drawing on evidence from a similar intervention in the adult social care sector to support the rationale, as well as other industries, such as the financial oversight elements of the ATOL scheme in the airline industry. The IA provides high level objectives but could benefit from fully applying the SMART objectives framework, as well as presenting a theory of change diagram.</p> <p>Green</p>	<p>explained the ratings and aligned them with the specific key critical success factors as set out in the Green Book. The IA provides a sufficient SaMBA, applying a natural exemption to reduce burden on SMBs, as the scheme will only apply for 40 of the most difficult to replace providers. The IA also details mitigations for medium size businesses.</p> <p>Green</p>	<p>failures to form an indication of this future benefit.</p> <p>Green</p>	<p>potential impact of reducing the growth of medium-sized providers. The IA could benefit from clarifying the market movements that are expected. The IA could also benefit from discussing the long-term benefits for children from placement stability in the household impacts section of the scorecard.</p> <p>Satisfactory</p>	<p>proposal, preventing disruption of looked after children.</p> <p>Satisfactory</p>
<p>Provider oversight for children's social care</p>	<p>The IA sets out the problem under consideration, explaining the existing limitations within Ofsted's powers, evidenced through the Child Safeguarding</p>	<p>The IA outlines a long list of five options, including a non-regulatory option. The IA could have benefitted from using the</p>	<p>The IA provides an NPSV estimate for both shortlisted options and explains the methodology that underpins the</p>	<p>The IA summarises the impacts of the proposal on business, household, total welfare and government priorities in</p>	<p>The IA outlines that it will use data collected by Ofsted in the review, with the</p>

<p>placement provision</p>	<p>Practical Review Panel report. The IA provides SMART objectives but could benefit from providing a theory of change diagram. Although the Summary IA details the overarching argument for intervention, the Department could benefit from applying the argument (the existence of children’s social care as a merit good and public good) specifically to the regulation involved in this measure. Green</p>	<p>Green Book’s options framework-filter to show how the long-list options have been constructed at an early stage alongside any stakeholder engagement with Ofsted. The IA assesses the longlisted options against critical success factors but could have fully explained the assessment and aligned the key criteria with the specific key critical success factors as set out in the Green Book. The IA provides a sufficient SaMBA, explaining how the impacts are likely to be proportionate to the size of business. The IA states that many privately owned children’s homes are owned by larger provider groups but could have provided further detail on the number of SMBs, or</p>	<p>analysis. The analysis could be improved by applying sensitivity analysis to key variables (such as the time taken to provide group information or facilitate a group level inspection). The preferred option does not capture the costs incurred by providers to develop an improvement plan, but states that this cost will be lower than Option 3. However, as this becomes more complex when undertaken at the group level and drives the main difference between value for money of the two shortlisted options, the IA could have provided some indicative evidence to support this argument and the selection of the preferred option. The IA could also benefit from clarifying why the Ofsted costs are the same for each option, given the preferred option applies to fewer provider groups and involves Ofsted working on</p>	<p>the regulatory scorecard. The IA would benefit from clarifying why the public sector financial costs are included in the business NPV (and the headline NPSV figures are the same). The IA could also consider the household impact of the measure on staff who lose employment if a setting is shut down and could consider the wider efficiency impacts faced by Ofsted from shifting from individual to group level inspections. Satisfactory</p>	<p>volume of enforcer activity as a metric. However, the IA could be more specific about the nature of the data and how it will be collected. The IA states that success will be measured by improving the quality of providers, but could provide examples of metrics that will be used to measure this. Satisfactory</p>
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		<p>considered an exemption for smaller groups.</p> <p>Green</p>	<p>a smaller scale. While the IA dismisses the do nothing business-as-usual option, the IA could be made clearer that this is used as the counterfactual to assess the other short-listed options against.</p> <p>Green</p>		
<p>Profit capping powers – Children’s social care market</p>	<p>The IA outlines the problem under consideration, explaining that there is excessive profiteering in children’s social care when budgets are under pressure. The IA evidences this problem, referencing the profit margins seen by larger providers, as reported in the Competition and Markets Authority study. The IA also referenced the Revolution Consulting Report to illustrate the increase in council spending on privately run children’s homes. The IA provides specific objectives but could benefit from fully applying the SMART framework. The IA provides a theory of change description for the underpinning market measures but could</p>	<p>The IA outlines a long list of five options. The IA could have benefitted from using the Green Book’s options framework-filter to show how the long-list options have been constructed at an early stage. The Department considers non-regulatory alternative options as part of implementing the wider package of market intervention measures that will occur before the preferred option is exercised. The IA carries three options through to the short-list and assesses these against critical success factors.</p>	<p>The IA provides a brief discussion of the impacts from the shortlisted options and qualitative justification for the selection of the preferred option. As the impacts from the proposal are wholly dependent on secondary legislation, this brief assessment meets the minimum criteria for a scenario 2 assessment, in line with RPC guidance. However, the IA should include further assessment of the scale of impacts expected. For instance, the IA could have included scenario analysis to indicate the level of possible impact, as well as indicative estimates on the</p>	<p>The IA summarises the impacts of the proposal on business, household, total welfare and government priorities. The IA could have provided further information on potential impacts faced by business, such as providing indicative estimates for the reporting burdens, as this is a complex requirement which could place a significant cost on business. The IA considers a reduction in innovation but could have further considered the impact of a profit cap on business growth,</p>	<p>The IA briefly outlines some data sources for the review, such as annual returns and records of monetary penalties, but should provide further information on how this data will be gathered and the metrics and research questions that will be used.</p> <p>Very weak</p>

	<p>also benefit from providing a theory of change diagram for the policy intervention covered in the IA.</p> <p>Green</p>	<p>However, the IA could have fully explained the assessment and aligned the success factors with the specific key critical success factors as set out in the Green Book. The IA provides a sufficient SaMBA, in line with RPC proportionality guidance. As the Bill merely provides the power to implement a profit cap, there will be no impact on SMBs from the Bill itself. The Department states that it will use the consultation to consider further impacts on SMBs and should submit a more detailed SaMBA once secondary legislation is implemented, including evidence on the number of SMBs impacted and justification against exemption for SMBs.</p> <p>Green</p>	<p>proportion of providers with excess profits. The IA should also confirm that costs and benefits would be analysed further for the related secondary legislation. As this measure makes up a proportion of the Bill, and the impacts only come into effect after secondary legislation, the RPC has applied proportionality to its scrutiny of this measure.</p> <p>Green</p>	<p>using any relevant indicative evidence. The IA states that the cap could provide a competitive advantage but could provide evidence to support this and expand its assessment of the proposal on competition. As the policy risks causing market disruption, changing the prices that are set in the market, or could result in barriers to entry, the demand and supply mechanisms may interact differently in a new competitive equilibrium. Furthermore, as excess profits provide a signal to new entrants to enter, capping profits could lead to a reduction of supply in the market in the medium term. Further analysis could be undertaken to assess these impacts. The scorecard could also consider the wider risks</p>	
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				of placing incorrect profit cap levels, or complexities where companies cover both children social care and other businesses. Weak	
Children not in school	The IA outlines the problem under consideration, explaining the existing challenge with local authorities identifying children not in school, and the impact this has on their ability to safeguard and promote the welfare of all children in their area. The IA evidences this problem, referencing the Child Safeguarding Practice Review Panel review on safeguarding incidents involving home educated children and the increase in home educated children, causing difficulties with data collection. The IA also outlines the argument for intervention: market failures such as asymmetric information and principle-agent issues. The IA provides suitable SMART objectives and a theory of change diagram, although Objective 2 could be	The IA outlines a long list of six options, including a non-regulatory option. The IA could have benefitted from using the Green Book's options framework-filter to show how the long-list options have been constructed at an early stage alongside any stakeholder engagement with local authorities. The IA also could have assessed the longlisted options against critical success factors as set out in the Green Book. The IA carries three options through to the shortlist, but should have included the do-nothing option in the shortlist, in line with Green Book guidance. The IA	The IA provides an NPSV estimate for all shortlisted options and briefly explains the methodology that underpins the analysis for the preferred option. The IA could benefit from providing further detail on the steps that have been taken to calculate the estimates, for a lay reader. The IA could also benefit from clarifying how the NPSV has been calculated for the other shortlisted options. The IA could also benefit from clarifying the counterfactual position within the analysis. As the preferred option presents the lowest NPSV, the IA could benefit from focusing on the increased safety benefits provided by the preferred option to justify	The IA summarises the impacts of the proposal on business, household, total welfare and government priorities. The IA could benefit from further considering distributional impacts from the regulatory scorecard. For instance, the proposal might have a larger impact on protected groups, such as children with learning disabilities as these children are more likely to be home educated and in Gypsy, Roma and Traveller communities as these children are likely to change local authorities regularly. Similarly, the IA could consider regional distributional impacts	The IA states that it will use data from the register to inform the review, as well data from local authorities. The IA outlines the metrics that will be obtained from the data, but could provide further information on how the data will be gathered. Satisfactory

	<p>more specific. The IA could also benefit from expanding the outcomes section in the theory of change diagram to outline exactly how local authorities will use the registers, and what tasks they will undertake to make enquiries into children's education. This will help further explain how the proposed intervention solves for the existing problem.</p> <p>Green</p>	<p>indicates that a large proportion of impacted businesses will be SMBs, but will likely apply a natural exemption through setting a threshold of time that providers would need to educate these children at (or above) to be brought into scope. The IA also outlines that there is not likely to be a disproportionate impact on SMBs as data collection and reporting costs are directly linked to the number of pupils. The IA also estimates an annual net cost of £0.1m to SMBs, but could further explain how this has been calculated. The IA also presents some mitigations for SMBs.</p> <p>Green</p>	<p>its selection as the preferred option.</p> <p>Green</p>	<p>from the policy, as the proposal is likely to be more beneficial for parents in receipt of social benefits. The IA includes the cost of fines for home-educating parents who breach an SAO in the EANDCH calculation, but reconsider this as impacts to households resulting from non-compliance should not be captured in the EANDCH, in line with better regulation framework guidance.</p> <p>Satisfactory</p>	
Strengthening regulation of independent education institutions	<p>The IA outlines the different problems with the existing regulatory regime of independent schools, evidencing these problems through case studies,</p>	<p>The IA outlines a range of different long-list and short-list options for each intervention. These options include alternatives to regulation</p>	<p>The IA provides a NPSV estimate for all shortlisted options in each intervention. As the NPSV is estimated to be the same for all shortlisted</p>	<p>The IA provides a good summary of the impacts of the proposal on business, household, total welfare and government priorities.</p>	<p>The IA presents some examples of success indicators and data collection for a future</p>

	<p>theoretical examples and data from Ofsted’s inspections. Some of the problems, such as the existence of independent schools that are not regulated have limited supporting evidence, and some evidence (such as that for the gaps in checking the suitability of proprietors) could be more specific to the problem. The evidence base for the rationale for improving Ofsted’s powers could be improved by drawing on evidence from interventions in similar markets, such as the Food Standards Agency. Overall, the evidence presented is sufficient to support the rationale for intervention. The IA could benefit from ensuring the preferred option for registration of independent schools addresses the problem under consideration. If settings choose to change their hours of operation rather than be regulated, then there will still be a risk of settings not giving assurance to the safety and</p>	<p>for most of the interventions. The IA could have benefitted from using the Green Book’s options framework-filter to show how the long-list options have been constructed at an early stage alongside any stakeholder engagement. Some of the longlisted options appear arbitrary (such as the narrow difference between the options for Ofsted’s inspection powers so the Green Book tool would have helped to set out the process that was followed to generate these options. The IA assesses the shortlisted options against critical success factors but could have fully explained the assessment and applied the success factors to the longlist. The IA provides a sufficient</p>	<p>options in each intervention, the IA qualitatively explains the trade-offs that have been made between the shortlisted options to support the selection of the preferred option. However, the IA could benefit from further expanding their argument to support the selection of the preferred option, providing any supporting indicative estimates. The IA explains the methodology that underpins the analysis, but could provide further explanation for some of the uncertain assumptions, such as the number of students boarding and the number of suspended schools. Green</p>	<p>Despite the negative monetised NPSV, the Department indicates that they expect the regulatory provisions to have a positive impact on total welfare, as there are a number of significant non-monetised benefits. The IA could benefit from clarifying some of the classification of impacts, as the loss of wages should be included in the household section rather than the business section. The IA could also benefit from clarifying whether the impact to teachers from losing their salaries as a result of appeals against de-registration causing settings to close are included in the household impacts. Good</p>	<p>review but could provide further detail on these for the specific interventions. Weak</p>
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	<p>quality of education they provide. The IA presents a range of objectives but could benefit from fully applying the rest of the SMART objectives framework when forming the objectives. In particular, the objectives for interventions A-D and F are high-level policy objectives and often not specific. The objectives for the inspectorate Ofsted powers (E) are SMART. The IA provides a suitable theory of change diagram.</p> <p>Green</p>	<p>SaMBA, explaining why SMBs cannot be exempt. The IA also explains why there will not be disproportionate burdens on SMBs, as the interventions will impact a very small number of businesses overall. The IA could be improved by detailing any relevant mitigations for SMBs. This could include phased implementation or guidance for SMBs and would improve the SaMBA.</p> <p>Green</p>			
<p>Teacher Regulation – Strengthening the teacher misconduct regime</p>	<p>The IA sets out the problem under consideration, explaining that some teachers and educational settings are not captured by the TRA and that information about misconduct cannot always be acted upon straight away. The IA references the 2022 consultation to evidence these problems but could benefit from expanding the evidence base to support the rationale for intervention. However, the IA</p>	<p>The IA outlines a long-list of six options, including a voluntary, non-regulatory option. The IA could have benefitted from using the Green Book’s options framework-filter to show how the long-list options have been constructed at an early stage alongside any stakeholder engagement from the TRA. The IA</p>	<p>The IA provides an NPSV estimate for the preferred option only and qualitatively compares this to the impacts of the non-regulatory option. The IA provides good justification of the preferred option through this qualitative comparison. The IA could be improved by providing an assessment (which could be qualitative at minimum) of the other</p>	<p>The IA provides a satisfactory regulatory scorecard, summarising the impacts of the proposal on business, household, total welfare and government priorities. The IA could benefit from considering any potential missing impacts, such as the impact to teachers from providing more information about when</p>	<p>The IA does not provide a suitable monitoring and evaluation plan and should detail the data, metrics and research questions its aims to assess in its future review.</p> <p>Very weak</p>

	<p>has done well to acknowledge and justify the existing evidence gaps within available data. The IA provides suitable SMART objectives and a good theory of change diagram.</p> <p>Green</p>	<p>sets out critical success factors to measure each option against but could have provided more detail and explicitly explained the assessment for each success factor clearly and how this has supported the discarding of options for the short-list. The IA carries four options forward to the short-list. The IA provides a sufficient SaMBA, justifying why it would not be appropriate to exempt SMBs from the proposal. Furthermore, the Department does not expect disproportionate impacts on SMBs, but could have provided some potential mitigations.</p> <p>Green</p>	<p>shortlisted options. This would help to justify the selection of the preferred option. In particular, the IA could expand on the potential risks from implementing the other shortlisted options, further explaining why disproportionate costs, administrative burdens and safeguarding risks mean they are inefficient. As a number of impacts remain non-monetised, the IA has done well to provide break-even analysis to indicate the scale of potential benefits under the preferred option.</p> <p>Green</p>	<p>they were not carrying out teaching work in a specified setting (in the household section). The IA does not monetise the impact of the proposal on teachers who will be investigated by the TRA as they will depend on the particular case. However, the IA could benefit from clarifying that this cost will only count in the EANDCH if the investigation proves there isn't a case of misconduct, otherwise this counts as an impact from non-compliance. The IA could also provide some indicative estimates of the additional admin or resource cost to the TRA.</p> <p>Satisfactory</p>	
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