

NB Use of this **template is optional** – regulators may choose to agree an alternative approach with relevant business representatives.

Please keep all entries **as brief as possible** consistent with allowing businesses to understand them.

## Business Engagement Assessment

<b>Title of Proposal</b>	<b>Framework change for residential family centres (RFC)</b>
Lead Regulator	Ofsted
Contact for enquiries	Matthew Brazier

Date of assessment	31/03/14
Net Cost to Business (EANCB):	N/A
Which area of the UK will be affected by the change(s)?	England
Does this include implementation of Red Tape Challenge commitments?	No

Stage of assessment	Discussion
Commencement date	September 2014
Price and Present value base years	From September 2014
Is this directly applicable EU or other international legislation?	No

### **Brief outline of proposed change in regulatory action**

A change to the judgement structure of the residential family centre inspection framework to introduce requires improvement. Requires improvement will replace the previous adequate judgement.

### **Why is the change proposed? Evidence of the current problem?**

Introducing the judgement of good as the baseline minimum standard meaning that it is in-line with all of Ofsted's inspection duties and that only good is good enough in this sector.

### **Which types of business will be affected? How many are affected?**

Residential Family Centres are defined in Section 4(2) of the [Care Standards Act 2000](#), as establishments at which  
a) accommodation is provided for children and their parents;  
b) the parents capacity to respond to the children's needs and to safeguard their welfare is monitored and assessed and  
c) the parents are given such advice, guidance and counselling as considered necessary.

There are 41 residential family centres across the country – ownership and management of these are split between the private sector (28), local authorities (3) and the voluntary sector (10). (Data as at 1 April 2014.)

Commissioning of RFC places is undertaken by local authority social services.

### **How will the change impact these businesses?**

Please briefly describe the impact. Include estimates of all financial costs and benefits, indicating how these change over time.

Please also describe impacts which cannot be readily monetised. Please consider for instance:

- transitional costs (e.g. changes to systems, training)
- regulatory uncertainty (e.g. whilst awaiting regulator's decision)
- impact on access to markets (e.g. consistent approach with other EU regulators)
- impact on business confidence/perceptions

*Please give an estimate of the total annual direct financial cost or benefit to business. Please refer to the 'ARI BEA Calculator' for more information.*

There is a risk that commissioners, for example, local authorities, will not commission with provision that is less than good which will impact on income/business sustainability. We cannot quantify as this is an emerging issue and will vary dependent on individual local authority commissioning policies. We cannot presume that a setting judged adequate under the current judgement structure will be deemed as requires improvement, so the number of settings affected by this change is not possible to accurately estimate.

The number/grade profile of current providers (as at 1 April 2014)

Judgement	Number of providers	% of sector inspected
Outstanding	11	28
Good	16	40
Adequate	12	30
Inadequate	1	2
Total	40	100

The framework is not intended to be prescriptive on how a provider reaches good; the focus of the framework is to articulate what good outcomes for children and families look like. How, or if, a provider chooses to achieve this standard is an individual business decision and could vary significantly dependent on local circumstances.

The frequency and tariff of inspection has not changed and the criteria for each judgement band remains relatively unchanged, so there is no additional burden/cost as a result.

Driving up standards across the sector through the introduction of a requires improvement judgement will result in improved outcomes for children, families and children's services.

A clear understanding of what constitutes good will encourage consistency across the market place; as a consequence good or better providers will potentially attract more commissions.

However, fee levels for places and business running costs are the result of independent business decisions which mean cost and income can vary significantly from provider to provider so we are unable to quantify potential increases in income.

We have not been able to quantify the monetary impact on sector businesses as this will vary considerably, dependent on where a provider is on the judgement scale, local market conditions, individual owner/business decisions and availability of suitable places within the local area.

### **Impact on small businesses**

*Please briefly describe any special impact the change will have on small businesses – especially those with fewer than about 25 staff, where the owner/manager is often responsible for regulatory matters. Please consider for instance the implications for management time; the significance to a small business of the effort involved in understanding and implementing the change.*

All of the providers across the sector are small businesses\*; therefore the impact of the change on small business will be consistent with the narrative above.

\*As defined in EU law in 2012; [EU Definition - What is an SME \(small and medium-sized enterprise\)?](#)

## Questions about this Business Engagement Assessment

You can complete the form below and return it by post to Social care policy team, Ofsted, Aviation House (8th floor), 125 Kingsway, London, WC2B 6SE or by email to [socialcare@ofsted.gov.uk](mailto:socialcare@ofsted.gov.uk), or you can complete an online version here: [https://www.surveymonkey.com/s/BEA\\_RFC](https://www.surveymonkey.com/s/BEA_RFC).

**Q1. Do you agree with this assessment?**

Yes <input type="checkbox"/>	No <input type="checkbox"/>
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**Q2. If you have answered no, please explain your answer below.**

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**Q3. Have we considered the significant factors that may impact on providers of residential family centres?**

Yes <input type="checkbox"/>	No <input type="checkbox"/>
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**Q4. If you have answered no, what else should we consider?**

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**Q5. Are you responding as an individual or on behalf of an organisation?**

Individual <input type="checkbox"/>	Organisation <input type="checkbox"/>
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**Q6. Please provide your name or the name of the organisation, and contact details.**

Name:

Contact:

**Thank you for responding. Have you completed the consultation on our proposals for the inspection of residential family centres:**  
[www.ofsted.gov.uk/resources/140017](http://www.ofsted.gov.uk/resources/140017)?