

Title: Holiday Schemes for Disabled Children - Children's homes IA No: Lead department or agency: Department of Education Other departments or agencies:	Impact Assessment (IA)	
	Date: 29/06/2012	
	Stage: Consultation	
	Source of intervention: Domestic	
	Type of measure: Secondary legislation	
Contact for enquiries: Shelley Stewart-Murray 0207783 8089		
Summary: Intervention and Options		RPC Opinion: RPC Opinion Status

Cost of Preferred (or more likely) Option			
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, Measure qualifies as One-Out?
N/A	N/A	N/A	Yes OUT

What is the problem under consideration? Why is government intervention necessary?

All children's homes must be registered and inspected twice a year by Ofsted in accordance with the provisions of the Care Standards Act (CSA) 2000, the Children's Homes Regulations 2001 and the Fees and Frequency Regulations. These provisions require children's holiday schemes for disabled children to be treated as children's homes. There are a number of elements of the Children's Homes Regulations considered to be irrelevant for these schemes, therefore placing unnecessary burdens on them. Removing these elements through intervention will free up scarce resources and increase social welfare.

What are the policy objectives and the intended effects?

The overarching policy intention is to retain the requirement on holiday schemes for disabled children to register as children's homes but to scale back the children's homes provision. This would include the reduction of the number of prescribed inspections undertaken by Ofsted (twice a year reduced to annually) and a more proportionate chargeable fee. The 'scaled back' approach will produce a tailor made inspection framework that meets stakeholder requirements. It is intended also to disapply/remove elements of the children's homes regulations that are considered to be irrelevant for holiday schemes.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

Options under consideration are:

1. Do nothing – continue with the current arrangements whereby children's holiday schemes for disabled children are treated as children homes.
2. Remove the requirement on holiday schemes for disabled children to register as children's homes.
3. Retain the requirement on holiday schemes for disabled children to register as children's homes, but to scale these requirements back, reducing the number of inspections and charging a more proportionate fee.

Option 3 is the preferred approach as key stakeholders consider that there continues to be a strong case for these schemes to be regulated as children's homes to ensure that robust safeguards remain in place for this vulnerable group of children.

Will the policy be reviewed? It will be reviewed. If applicable, set review date: Month/Year					
Does implementation go beyond minimum EU requirements?			Yes / No / N/A		
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.	Micro Yes/No	< 20 Yes/No	Small Yes/No	Medium Yes/No	Large Yes/No
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)			Traded: N/A	Non-traded: N/A	

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible SELECT SIGNATORY: _____ Date: _____

Summary: Analysis & Evidence

Policy Option 1

Description: Do nothing.

FULL ECONOMIC ASSESSMENT

Price Base Year 2012	PV Base Year 2012	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low:	High:	Best Estimate: £0

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low			
High			
Best Estimate	£0	£0	£0

Description and scale of key monetised costs by 'main affected groups'

The costs of the other options are expressed relative to this do nothing case.

Other key non-monetised costs by 'main affected groups'

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate			

Description and scale of key monetised benefits by 'main affected groups'

The benefits of the other options are expressed relative to this do nothing case.

Other key non-monetised benefits by 'main affected groups'

Key assumptions/sensitivities/risks	Discount rate (%)	3.5%
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BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			In scope of OIOO?	Measure qualifies as
Costs:	Benefits:	Net:	No	NA

Summary: Analysis & Evidence

Policy Option 2

Description: Remove the requirement on holiday schemes for disabled children to register as children's homes

FULL ECONOMIC ASSESSMENT

Price Base Year 2012	PV Base Year 2012	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low:	High:	Best Estimate: £0m

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low			
High			
Best Estimate		£0.01m	£0.06m

Description and scale of key monetised costs by 'main affected groups'

A cost of this option is felt by Ofsted - they will now receive no fees from holiday schemes for disabled children.

Other key non-monetised costs by 'main affected groups'

The removal of the regulations might lead to safeguarding concerns to the children who take part in these schemes. Organisations representing parents of disabled children have expressed such concerns as the children accommodated by these schemes are particularly vulnerable due to their disabilities.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low			
High			
Best Estimate		£0.01m	£0.06m

Description and scale of key monetised benefits by 'main affected groups'

The providers of holiday schemes for children benefit financially through the removal of registration and annual fees to Ofsted.

Other key non-monetised benefits by 'main affected groups'

Ofsted will make cost savings from a lower number of inspections that need to be carried out.

Key assumptions/sensitivities/risks

Discount rate (%) 3.5%

The main risk of this policy option is concerns regarding child safeguarding. Some stakeholders have suggested putting these schemes outside of regulation altogether might put the children at risk (given their extreme vulnerability).

BUSINESS ASSESSMENT (Option 2)

Direct impact on business (Equivalent Annual) £m:			In scope of OIOO?	Measure qualifies as
Costs: £0.0m	Benefits: £0.0m	Net: £0.0m	Yes	OUT

Summary: Analysis & Evidence

Policy Option 3

Description: Retain the requirement on holiday schemes for disabled children to register as children's homes, but to scale these requirements back, reducing the number of inspections and charging a more proportionate fee

FULL ECONOMIC ASSESSMENT

Price Base Year 2012	PV Base Year 2012	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low:	High:	Best Estimate: N/A

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low			
High			
Best Estimate		N/A	N/A

Description and scale of key monetised costs by 'main affected groups'

Other key non-monetised costs by 'main affected groups'

A cost of this option is felt by Ofsted - they will receive less fees from holiday schemes for disabled children.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low			
High			
Best Estimate		N/A	N/A

Description and scale of key monetised benefits by 'main affected groups'

Other key non-monetised benefits by 'main affected groups'

The providers of holiday schemes for children benefit financially through lower fees paid to Ofsted. Ofsted will also make cost savings from a lower number of inspections that need to be carried out.

Key assumptions/sensitivities/risks

Discount rate (%) 3.5%

The review and consultation of these provisions may encourage additional providers of holiday schemes to register their schemes with Ofsted. This development would be felt as an overall benefit to society for more children will be covered by the proportional regulatory framework. The Department will work with Ofsted to ensure that the disapplication of regulations will not compromise the safeguarding of children who participate on these schemes.

BUSINESS ASSESSMENT (Option 3)

Direct impact on business (Equivalent Annual) £m:			In scope of OIOO?	Measure qualifies as
Costs: N/A	Benefits: N/A	Net: N/A	Yes	OUT

Evidence Base (for summary sheets)

1. Problem under consideration

Holiday Schemes for Disabled Children are offered by a provider to children with disabilities for around 30 children per holiday scheme. The schemes are a series of weeklong holiday breaks for different groups of children taking place throughout a holiday period. The schemes are located across England.

Currently all children's homes must be registered and inspected twice a year by Ofsted in accordance with the provisions of the CSA 2000, the Children's Homes Regulations 2001, and the Fees and Frequency Regulations. These provisions require children's holiday schemes providing specifically for disabled children, to be treated as children's homes. As such, these schemes also must meet the requirements set out in the related National Minimum Standards (NMS) for children's homes.

The NMS covers those standards and quality of provision which providers should meet and must be taken into account by Ofsted when inspecting and regulating the service. A failure to comply, for example, may lead to a provider's registration being cancelled. Ofsted makes 'recommendations' to bring about improvement over and above the NMS. The NMS are underpinned by the Children's homes regulations which set out the legal framework by which Ofsted inspect against.

These schemes have highlighted a significant risk to their future due to the financial burden of the current regulatory and inspection regime. In addition, the Fees and Frequency Regulations require the schemes to pay Ofsted a registration fee and thereafter annual fees. Holiday schemes for disabled children have found the requirements and costs of the regulatory framework increasingly burdensome.

The regulations place a significant burden on schemes as processes assume a 52 week organisation with full-time employees. The schemes operate for short period a year so that many of the regulations (of which there are 42) and questions asked through the inspection process have minimal relevance to charities. They also include unachievable time bound deadlines as schemes rely on volunteers to deliver this service.

In discussion with the schemes and representatives from the wider sector the Department has agreed to consult on revisions to the regulatory and inspection regimes for holiday schemes for disabled children.

2. Rationale for intervention

The Department is aware of two voluntary sector providers that deliver holiday schemes annually and have registered with Ofsted as children's homes and comply with the children's homes regulations. However the Department has been advised that there may other schemes that may be operating without being registered but that the number of these is probably minimal. Heswall disabled children's holiday scheme and Newman trust (the two holiday schemes that are currently registered) have both made representations to the Department that the stringent inspection regime coupled with the heavy duty of burdens imposed by children's regulations limit the success of their schemes in being able to operate effectively as a children's home and therefore meet the National Minimum Standards (NMS) required for children's homes. In addition and crucially the annual inspection fee charged to children's homes places continued threat to their continued existence. They are both charitable organisations and have no formal income except through fundraising and donations.

All children's homes are required through legislation to register with Ofsted and are charged a 'one-off' registration fee of £2,186. Homes are also charged an annual fee for inspection of the home at a basic cost of £1323.01 and this fee is set to rise to £1,455.31 from April 2013. In addition, Ofsted charges £131.77 for every approved place over three places. Newman Trust were therefore charged a total of £3,827 and Heswall £4,881 for inspection of their schemes last year. This, they both argue, is a disproportionately high fee that schemes are expected to pay for the short period that the holiday scheme is in place. The basic cost of providing the holiday is £60,000 and is not passed on to parents as these costs are met through fundraising

3. Policy objective

The Government wishes to reduce the financial and regulatory burden on Holiday Schemes for Disabled Children whilst still ensuring that effective and proportionate safeguards are in place to protect the welfare of the children who take part on these schemes.

4. Description of options considered (including do nothing)

Option one - leave the existing arrangements in place

This would mean that the current regulatory framework applied to Holiday Schemes for Disabled Children remains in place.

Option two – to remove the requirement on holiday schemes for disabled children to register as children's homes

This is the preferred option for one of the providers who expressed concern about the level of bureaucracy and cost of inspection. They argued that they should be treated in the same way as holiday schemes for other children, and as such, should not be subject to a bureaucratic and expensive regime of regulation and inspection. However, informal soundings from organisations representing parents of disabled children have considered that there continues to be a case for holiday schemes for disabled children to remain regulated because of these children's particular vulnerability.

Option three - to retain the requirement on holiday schemes for disabled children to register as children's homes but to scale the requirements back, reduce the number of inspections and charge a more proportionate fee.

Scaling back the regulatory framework and coverage of inspection so that it is more tailor-made to the particular circumstances of holiday schemes for disabled children and reducing the fee accordingly, would be welcomed by all stakeholders. It is the preferred option of the other holiday scheme for disabled children. It would ensure that the schemes could continue to operate without having to meet all the current requirements and pay disproportionate fees. Parents would primarily be responsible for the quality of the scheme that they choose for their disabled child's holiday but this option would ensure that a minimal framework remains in place to allow appropriate independent quality assurance of these schemes. Such an approach will include:

- disapplying those elements of the Children's Homes Regulations provisions felt less relevant for holiday schemes;
- reducing the number of prescribed inspections; and
- charging a lower annual inspection fee to Ofsted.

This approach could significantly reduce the current regulatory burdens faced by holiday schemes for disabled children and enable them to carry on offering their important service to disabled children and their families.

5. Costs and benefits of each option

Below we discuss the expected effects of each option, by group. There are effects on three main groups: the providers of the holiday schemes, Ofsted, and the children who take part in these schemes.

Option one - leave the existing arrangements in place

This would mean that the current regulatory framework applied to Holiday Schemes for Disabled Children remains in place. The costs and benefits of the other options are expressed relative to this do nothing case.

Option two – to remove the requirement on holiday schemes for disabled children to register as children’s homes

Providers of Holiday Schemes

Benefit: removal of the registration and annual inspection fee to Ofsted. Children’s homes are required through legislation to register with Ofsted and are currently charged a ‘one-off’ registration fee of £2,186. There are currently two providers that deliver holiday schemes and have registered with Ofsted as children’s homes. The annual inspection fee varies depending on the number of children involved on a scheme. The full fee schedule is set out in table 1 below.

Table 1: Annual Ofsted Fees for Children’s Homes – fees from 1 April 2012

Type of Establishment	Fee
Children’s Home with 3 or fewer places	£1323.01 flat fee
Children’s Home with 4 to 62 places	£ 1323.01 flat fee, plus £131.77 for each place 4 to 62 inclusive
Children’s Home with 63 or more places	£9,120 flat fee

Source: <http://www.ofsted.gov.uk/resources/annual-fees-for-childrens-social-care-services>

As mentioned above, one provider currently pays Ofsted an annual fee for inspection of £3,827. The other currently pays £4,881.

Assuming that these providers continue operations into the future, continue to cater for the same numbers of children, and the fee level charged by Ofsted to them is not expected to change, the benefit they would attach to this impact is therefore given by £8,708 (e.g. £3,827 + £4,881) per annum in nominal prices. If these providers expect the fee that they are currently charged to rise in the future, then they would attach a higher overall total value to the future fee savings of this policy option. The Government intend to consult from September 2012 on the fee level for children’s social care settings. Here, therefore, we chose not to impart any assumptions regarding provider’s expectations of (higher) future fee levels into the appraisal analysis. Therefore, the valuation of this effect can be regarded as a lower bound estimate. Table 2 below sets out the estimates. Forecasts from the Office for Budget Responsibility are used to express all values in 2012/13 terms.¹ The derived CPI series is depicted in table 3.

¹ Office for Budget Responsibility. (2012). Economic and Fiscal Outlook, March 2012. See page 11 <http://budgetresponsibility.independent.gov.uk/wordpress/docs/March-2012-EFO1.pdf>

Table 2: Fee payment savings to holiday schemes for disabled children from removing the annual inspection fee to Ofsted

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Reduction in fees paid by holiday schemes for disabled children (nominal terms)	£8,708	£8,708	£8,708	£8,708	£8,708	£8,708	£8,708	£8,708	£8,708	£8,708
Reduction in fees paid by holiday schemes for disabled children (real terms – 2012 price year)	£8,546	£8,386	£8,222	£8,061	£7,903	£7,748	£7,596	£7,447	£7,301	£7,158

Table 3: Derived CPI series

Year	percentage change on a year earlier	2012 = 100
2012	2.8	100.00
2013	1.9	101.90
2014	1.9	103.84
2015	2.0	105.91
2016	2.0	108.03
2017	2.0	110.19
2018	2.0	112.40
2019	2.0	114.64
2020	2.0	116.94
2021	2.0	119.28
2022	2.0	121.66
2023	2.0	124.09

Note: CPI forecasts from Office for Budget Responsibility (2012) used. This publication reported forecasts up to 2016. We assume here that 2.0 forecast persists further into the future.

Benefit: removal of the accommodation of Ofsted inspections. Every financial year, Ofsted carry out a minimum of one full inspection and one interim inspection of every children’s home.² The accommodation of the two inspections per year carried out by Ofsted, is a burden to each holiday scheme providers as they must dedicate time to answer inspector questions and queries, etc. It is likely, however, that the time cost to providers to accommodate is marginal. As such, they are expected to attach a small value to this impact.

Benefit: removal of children’s home regulations that currently apply to holiday schemes for disabled children. The children’s home providers would attach a positive economic value from the removal of the regulations that apply to them for it would reduce the demands upon them.

Ofsted

Benefit: reduction in number of inspections carried out. Under this option, Ofsted will no longer be required to carry out inspections of children’s holiday schemes providing specifically for disabled children. There are currently two such providers. With Ofsted carrying out two inspections per year to each provider (one full inspection and one interim), this implies that there is a reduction of four inspections per year (assuming the number of providers stays the same into the future). The last auditable inspection costs data produced by Ofsted is for 2011/12. However, a number of fundamental changes in inspection tariff and methodology are taking place on children’s homes between March 2012 and April 2013. This means that it would be inappropriate to use the published 2011/12 data as a basis for estimating the inspection cost savings associated with this impact in 2013 onwards. Accurate estimates will be available at June 2013 at the earliest.

Cost: A reduction in inspection fees received. As derived above, under this option, at current fee levels, Ofsted are expected to receive reduced revenues of £8,708 per annum in 2012

² <http://www.ofsted.gov.uk/resources/childrens-social-care-registration-introduction-childrens-homes>

prices due to the removal of children’s holiday schemes for disabled children from their inspection framework.

Children

Cost: removal of regulations and inspections. The removal of the regulations might lead to safeguarding concerns to the children who take part in these schemes. Organisations representing parents of disabled children have expressed such concerns as the children accommodated by these schemes are particularly vulnerable due to their disabilities.

Policy Option 3: to retain the requirement on holiday schemes for disabled children to register as children’s homes but to scale the requirements back, reduce the number of inspections and charge a more proportionate fee.

This would mean that the regulatory framework that applies to children homes would remain in place but that the regulatory burdens attached would be substantially reduced for children’s holiday schemes providing specifically for disabled children.

Providers of Holiday Schemes

Benefit: Reduction in the registration and annual inspection fee to Ofsted. As derived above, holiday schemes and have registered with Ofsted as children’s homes currently pay £8,708 per year (in total) in annual fees to Ofsted. Under this option, we propose a lower annual fee of per year from each provider. The size of the benefit that the providers of holiday schemes for disabled children attach to this effect depends on how much lower the fee will be.

Benefit: Reduction in the number of Ofsted inspections to be accommodated and the per-inspection tariff. Every financial year, Ofsted carry out a minimum of one full inspection and one interim inspection of every children’s home.³ The accommodation of the inspection carried out by Ofsted is a burden to each holiday scheme providers. Under this option a reduction in the number of inspections is proposed. The per-inspection tariff is also likely to be reduced (e.g. days required in preparations, on-site, and post inspection report writing, etc). As noted above, it is likely that the time cost to providers to accommodate is marginal. As such, they are expected to attach a small value to this impact.

Benefit: removal of elements of children’s home regulations provisions felt less relevant to holiday schemes. The table below sets out the children’s homes regulations that it is proposed to dis-apply in respect of holiday schemes. Children’s homes are subject to 43 regulations and related schedules plus 25 National Minimum Standards (NMS) for children’s homes. Homes are expected to provide a placement plan for the child and ensure children’s educational needs are met. Schemes are temporary and would not be able to provide placement plans and would not be expected to be responsible for a child’s education. The children’s home providers would attach a positive economic value to the removal of these unnecessary regulatory burdens.

Table 4:

Statement of purpose and children’s guide	1. 4(2) (a) could this be changed from works to volunteers 2.(d) remove placing authority child	3.(5) remove to each	1.Holiday schemes do not employ staff, they all volunteer. 2.Authorities do not place children 3.reduce the burden on schemes Reduce legislative burden on providers
Registered person - general requirements Part III - Conduct of Children's Homes	Remove 2 (a)(b)(c) &(3)		

³ <http://www.ofsted.gov.uk/resources/childrens-social-care-registration-introduction-childrens-homes>

Chapter 1 - Welfare of Children			
Promotion of welfare	11 (1) (b) remove education		Schemes are not in the position to deliver education provision
Placement plan for a child who is not looked after	12 - remove requirement for placement plan		remove entire requirement as children would not need a placement plan for the limited holiday period
Placement plan for a looked after child	12A - remove requirement for placement plan		remove entire requirement as children would not need a placement plan for the limited holiday period
Provision of clothing, pocket money and personal necessities	1.14 (1) - remove for clothing including footwear etc. 2. (2) - remove		1. Overly prescriptive for a holiday scheme and not applicable in most cases 2. Holiday schemes should not be required to provide children with money
Contact and access to communications	1. 15 (1)(a) - remove remove 2.(2) (a) - (h) - 3. - remove		1. the child will not have a placement plan 2. reduce legislative burden 3. reduce legislative burden
Education, employment and leisure activity	1.18 (1) (a-c) -remove 2.(3) - remove		The educational needs of the children would not be the responsibility of the scheme
Health needs of children	20 (2)(b) - remove dental, nursing, psychological etc		Reduce legislative burden on providers
Use of surveillance			
Hazards and safety			
Complaints and representations	24(2)(e)(iii) remove		children will not be placed by the authority
Chapter 2 - Staffing			
Staffing of children's homes	1. 25(1)(b) – remove qualified 2. 25(2) - remove		1. Holiday schemes are usually run by volunteers and unlikely to be qualified in the area of childcare 2. Reduce legislative burden and does not appear appropriate for a scheme
Employment of staff	1. 27(1)(a)(b) - remove remove 2.27(3)(b) -		1. Appointments will not be permanent and to reduce legislative burden 2. reduce legislative burden
Chapter 3 - Records			
Children's case records	28(1)-(4) remove		reduce legislative burden on providers as case records would not be kept
Part V - Management of homes			
Visits by registered provider	33 (3) remove		This requirement is impractical for holiday homes
Financial position	36 (1)-(4) - remove		the financial viability of a scheme would not be an issue as some schemes raise revenue through fund raising
Part VI - Miscellaneous			
Notice of absence			
Appointment of liquidators etc	Remove		These schemes are unlikely to need the use of liquidator as they are not a business
Application of these Regulations with modifications for short breaks			
Schedule 4 - Other Records with Respect to Children's Homes	1. 1 (a)-(f) remove and replace with name and address of every child attending the scheme 2. 2(e)-(g) remove		1. it would seem reasonable to keep relevant contact details for children children attending the scheme 2. these areas

Ofsted

Benefit: reduction in number of inspections carried out and reduction in per-inspection tariff. Under this option, Ofsted will be required to carry out less inspections of children's holiday schemes providing specifically for disabled children. There are currently two such providers and Ofsted carry out two inspections per year to each provider (one full inspection and one interim). The per-inspection tariff is also likely to be reduced. The total size of the benefit Ofsted attaches to this effects depends on how many inspections are cut back and the changes in the tariff. We will be better placed to quantify this effect in later stages.

Cost: A reduction in inspection fees received. As noted above, Ofsted currently receive revenues of (£3,827 +£4,881) per annum in 2012 prices from the two providers of children's holiday schemes for disabled children. Under this option, a reduced annual fee is proposed in reflection of the reductions in inspections and regulation provisions applied to holiday schemes for disabled children. The total size of the cost that Ofsted attaches to this effect depends on how much the new inspection fee is set at.

Children

Under this option, is expected that there will be no additional cost or benefit to children. It will be ensured that an appropriate level of safeguarding is in place after scaling the requirements back and reducing the number of inspections.

6. Risks and assumptions

Currently only two providers of holiday schemes are registered with Ofsted as children's homes. The review and consultation of these provisions may encourage additional providers of holiday schemes to register their schemes with Ofsted. We understand that there may be additional schemes that operate that should be registered with Ofsted. We expect this number to be minimal. This development would be felt as an overall benefit to society for more children will be covered by the proportional regulatory framework. The Department has worked with Ofsted to ensure that the disapplication of regulations will not compromise the safeguarding effect to the regulations on holiday schemes.

7. Direct costs and benefits to business calculations

The overall impact of these changes under the preferred option are deregulatory. There will be less regulations governing the actions of providers of holiday schemes for disabled children. The two voluntary sector providers will benefit through lower fees payable to Ofsted for inspections. These effects have been articulated above.

8. Summary and preferred option with description of implementation plan

This issue concerns a small number of holiday schemes for disabled children. There has been lobbying by two holiday schemes, the Heswall Disabled Children's Fund and the Newman Holiday Trust, and three recent PQs asked by Lord Alton of Liverpool about this issue. Both providers have argued that the cost and trouble resulting from the current legal requirement to regulate their services as children's homes is disproportionate and unnecessary.

There is a strong case for scaling back regulation and inspection so that this is more tailor-made to the particular circumstances of these holiday schemes, and for reducing the fee accordingly. We would propose to consult in September on options to tackle this issue as part of the larger consultation that will be needed on a range of changes to regulations governing the frequency of Ofsted inspections also linked to this issue for introduction into legislation effective from 1 April 2013.