



Department
for Education

Early years childcare fees regulations

Government consultation

Launch date 18 July 2019

Respond by 9 October 2019

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Introduction

The aim of this consultation is to seek views on a proposed increase to the application fee and the annual fee paid to Ofsted by childcare providers on the Early Years Register, with a view to changes coming into force from April 2020. We are also seeking views on the principles that should underpin a revised Early Years Register fee model to be introduced from April 2021.

The consultation will run for 12 weeks.

Who this is for

This consultation is of primary relevance to childcare providers registered on Ofsted's Early Years Register and others with an interest in early education and childcare, such as local authorities and sector representative or professional bodies.

Early years and childcare regulation in the UK is a devolved matter. As such, this consultation only applies to regulation in England.

Issue date

The consultation was issued on 18 July 2019.

Enquiries

If your enquiry is related to the policy content of the consultation you can contact the team by email at: EarlyYearsFees.CONULTATION@education.gov.uk

If your enquiry is related to the DfE e-consultation website or the consultation process in general, you can contact the DfE Ministerial and Public Communications Division by email: Coordinator.Consultations@education.gov.uk or by telephone: 0370 000 2288 or via the DfE [Contact us](#) page.

Additional copies

Additional copies are available electronically and can be downloaded from [GOV.UK DfE consultations](#).

The response

The results of the consultation and the department's response will be published on GOV.UK by January 2020.

About this consultation

The aim of this consultation is to seek views from interested parties on proposed changes to [The Childcare \(Fees\) Regulations 2008](#) (the “2008 Regulations”) which were amended by [The Childcare \(Fees\) \(Amendment\) Regulations 2010](#) (the “2010 Regulations”). These fees relate to the role and responsibilities of the Office for Standards in Education, Children’s Services and Skills (Ofsted) under the Childcare Act 2006.

This consultation seeks views on:

- A proposed increase, from April 2020, to the application fee and the annual fee paid to Ofsted by providers on the Early Years Register
- The principles that should underpin a revised Early Years Register fee model from April 2021

Respond online

To help us analyse the responses please use the online system wherever possible. You can reply to this consultation online at [Gov.UK/DfE consultations](#).

Other ways to respond

If, for exceptional reasons, you are unable to use the online system, for example because you use specialist accessibility software that is not compatible with the system, you may download a copy of the form and email it or post it.

By email

EarlyYearsFees.CONULTATION@education.gov.uk

By post

Early Years Fees Consultation

Early Years and Schools Group
Department for Education
2nd Floor, Sanctuary Buildings
Great Smith Street
London, SW1P 3BT

Deadline

The consultation closes on 9 October 2019.

Background and context

Ofsted regulates and inspects all childcare providers on the Early Years Register. They are responsible for registering and inspecting early years and childcare provision to ensure it meets the standards for learning, development and care for children from birth to five, as set out in the [Early Years Foundation Stage \(EYFS\)](#) statutory framework. The application fee and the annual fee charged by Ofsted is determined by the Department for Education and set out in the [Childcare \(Fees\) Regulations 2008](#), which were amended by [The Childcare \(Fees\) \(Amendment\) Regulations 2010](#). The fees paid to Ofsted by providers on the Early Years Register have not changed since September 2010. Table 1 sets out the current application fee and the subsequent annual fee payable by different categories of childcare provider:

Band	Childcare provider category and description	Application fee	Annual fee
Band 1	Childminders – Provide childcare on domestic premises for reward, and may operate on non-domestic premises for up to half their time.	£35	£35
Band 2	Sessional (including domestic group providers¹) – Early years childcare provision (other than childminding) operating for less than 3 hours per day, less than 5 days per week, or less than 45 weeks per year	£35	£35
-	Sessional providers subject to the transitional arrangements - Childcare providers (other than childminders) who automatically transferred on 1 September 2008 from the childcare register under Part 10A of the Children Act 1989 to one of the registers under Part 3 of the 2006 Act, and operate between 3 and 4 hours per day.	£50	£50
Band 3	Full day care (including domestic group providers) - Early years childcare provision (other than childminding) operating for 3 hours or more per day, 5 days or more per week, and 45 weeks or more per year	£220	£220

Table 1: Current Early Years Register application fee and annual fee by provider type

¹ “Domestic group providers” refers to 4 or more childminders who work together to offer childcare in a domestic setting that is not the child’s own home. While they can register separately as individual childminders, they need to register separately (as a group) in order to work together, and pay either £35 or £220 depending on their registration and hours of operation.

The cost of inspection and regulatory activity is still substantially subsidised by taxpayers, with childcare providers currently a long way from paying the full cost of regulatory activity delivered by Ofsted. In the financial year 2017/18, we estimate less than 20% of Ofsted's inspection and regulatory costs associated with the Early Years Register were recovered through fee income paid by providers².

HM Treasury guidance, [Managing Public Money](#), establishes that the basic principle for charging by public sector organisations is that they should aim to recover the economic costs of their activities from customers through the fees they charge. In other Ofsted remits such as the inspection of children's social care settings, fees are either already at, or moving progressively closer to full cost recovery. However, although Ofsted fees represent a small proportion of childcare providers' overall expenses, we recognise that full cost recovery may be challenging for the early years sector.

The aim of the proposed fee increase is to help Ofsted recover more of the costs associated with childcare inspection and regulation. It is not being introduced as a consequence of Ofsted's recently published Education Inspection Framework (EIF). Therefore, we do not expect Ofsted to make any changes to how it delivers its regulatory function.

The purpose of this consultation is two-fold. Firstly, we set out details of a proposed increase in the fees paid to Ofsted by providers on the Early Years Register, to come into effect from April 2020. Secondly, we are seeking views on the principles that should underpin the development of a new fee model from April 2021 onwards. This is an initial consultation on a post-April 2021 model. Any proposals for a new registration fee model will be followed by a further technical consultation on detailed registration fee options – including estimated fee amounts.

² Based on Ofsted's *income* and *cost* for Early Years remit as set out in its [Annual Report and Accounts 2017-18](#).

About you

Questions:

1. What is your name?

2. What is your email address?

3. What is the name of your organisation?

4. In what capacity are you responding to this consultation? Please select one option from the list below.

- Early years childcare provider – single site
- Early years childcare provider – multiple sites
- Local authority
- Sector representative or professional body
- Parent/carer
- Other

If you answered "Other" please specify in what capacity you are responding to this consultation.

If you are a childcare provider registered on the Early Years Register, please answer the remaining questions in this section.

If you are NOT a childcare provider registered on the Early Years Register, please continue to section 3 ("Early Years Register").

5. Which of these categories best describes you?

- Childminder
- Full day care provider
- Sessional provider
- Other

If you answered "Other" please specify what the type of provider you are.

6. Are you also registered with Ofsted on the General Childcare Register?

- Yes
- No

If YES, which part(s)?

- General Childcare Register - Part A (the compulsory register)
- General Childcare Register - Part B (the voluntary register)

7. How many weeks each year do you typically operate for?

- Less than 15 weeks per year
- 15 to 24 weeks per year
- 25 to 34 weeks per year
- 34 to 44 weeks per year
- 45 weeks or more per year

8. How many days each week do you typically operate for?

- 1 to 2 days per week
- 3 to 4 days per week
- 5 or more days per week

9. How many hours each day do you typically operate for?

- Less than 3 hours per day
- 3 to 4 hours per day
- 5 to 6 hours per day
- 7 to 8 hours per day
- 9 or more hours per day

10. How many childcare places are you registered to provide? If operating from more than one site, please provide an average.

Early Years Register

The annual fee paid by childcare providers on the Early Years Register has not changed since 2010 and the cost of inspection and regulation continues to be heavily subsidised by government. We plan to increase Ofsted application and annual fees for childminders, sessional providers and full day care providers as part of our long term approach to recovering more of the costs of inspection and regulatory activity. To minimise the impact this may have on childcare providers, the department plans to introduce an initial inflationary increase from April 2020³. This will be applied equally to all childcare providers on the Early Years Register as a percentage increase equalling the sum of inflation since 2010. Table 2 sets out the proposed fee increases from April 2020.

Band	Childcare category	Current fee rate (set in 2010)	Proposed application and annual fee from April 2020	Increase
Band 1	Childminders	£35	£43	+£8
Band 2	Sessional providers	£35	£43	+£8
-	Sessional providers subject to transitional arrangements	£50	£61	+£11
Band 3	Full day care providers	£220	£269	+£49

Table 2: Proposed Early Years Register application and annual fee by provider type

While the changes are expected to come into force from April 2020, existing providers will not be required to pay the increased annual fee until the next anniversary of the date on which they became registered on the Early Years Register. New providers wishing to join the Early Years Register from April 2020 will pay the increased application fee.

³ To develop the fee proposals from April 2020, we have calculated an up-rate in the fees, which is based on the **Consumer Price Index** (CPI) inflationary increase between 2011/12 and 2018/19 (available via [official ONS statistics](#)) and the [Bank of England's projection](#) for 2019/20.

Questions:

11. To what extent do you agree that uprating fees for the Early Years Register in line with inflation since 2010 is a reasonable approach to implementing a fee increase in April 2020?

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

12. Do you have any comments on the proposed level of increase in fees for providers on the Early Years Register from April 2020?

Developing a new Early Years Register fee model

The categories used to determine the level of fee payable by providers on the Early Years Register have not changed since 2010. We are seeking your views on whether these categories are still appropriate and whether we should take other factors into account in developing a new Early Years Register fee model. As a reminder, the current provider categories used to determine the Ofsted fee payable are detailed in Table 3 below.

Provider category	Description
Childminder	Provide childcare on domestic premises for reward, and may operate on non-domestic premises for up to half their time.
Sessional (including domestic group providers)	Early years childcare provision (other than childminding) operating for less than 3 hours per day, less than 5 days per week, or less than 45 weeks per year
Sessional providers subject to the transitional arrangements	Childcare providers (other than childminders) who automatically transferred on 1 September 2008 from the childcare register under Part 10A of the Children Act 1989 to one of the registers under Part 3 of the 2006 Act, and operate between 3 and 4 hours per day.
Full day care (including domestic group providers)	Early years childcare provision (other than childminding) operating for 3 hours or more per day, 5 days or more per week, and 45 weeks or more per year

Table 3: Current provider categories used to determine Early Years Register application fee and annual fee

Any subsequent government proposals to amend the categories used to determine the Ofsted fee payable by providers on the Early Years Register, will be subject to further public consultation and will not come into force before April 2021.

Questions:

13. Do you support the principle of varying the Ofsted fee based on different categories of childcare provider?

- Yes
- No
- Don't know

Please give reasons for your answer.

14. To what extent do you agree that using the existing categories of childcare provider (as set out in Table 3) is the most suitable approach to determining the level of fee paid by providers on the Early Years Register?

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

Please give reasons for your answer.

15. To what extent do you agree it is important to take each of the following variables into account in developing a new Early Years Register fee model?

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Childminders vs group-based providers					
Number of hours/days/weeks provider is operating					
Profit (e.g. private and independent providers) vs not for profit providers (e.g. voluntary providers and charities)					
Size of provider (based on number of places)					
A single site provider vs part of a chain					

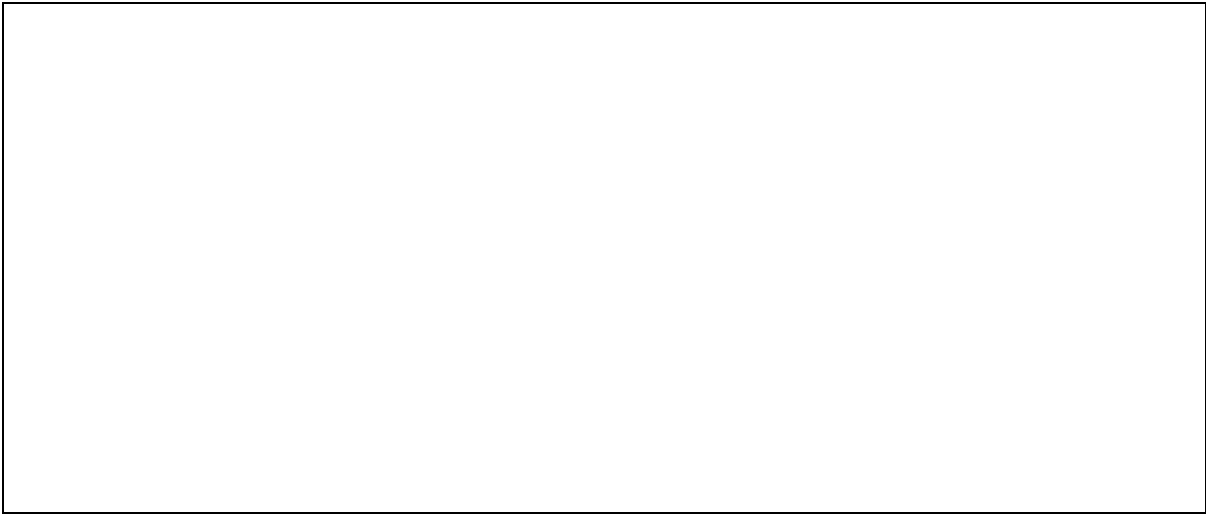
Please give reasons for your answer.

16. Are there other variables that you think should be taken into account in developing a new Early Years Register fee model?

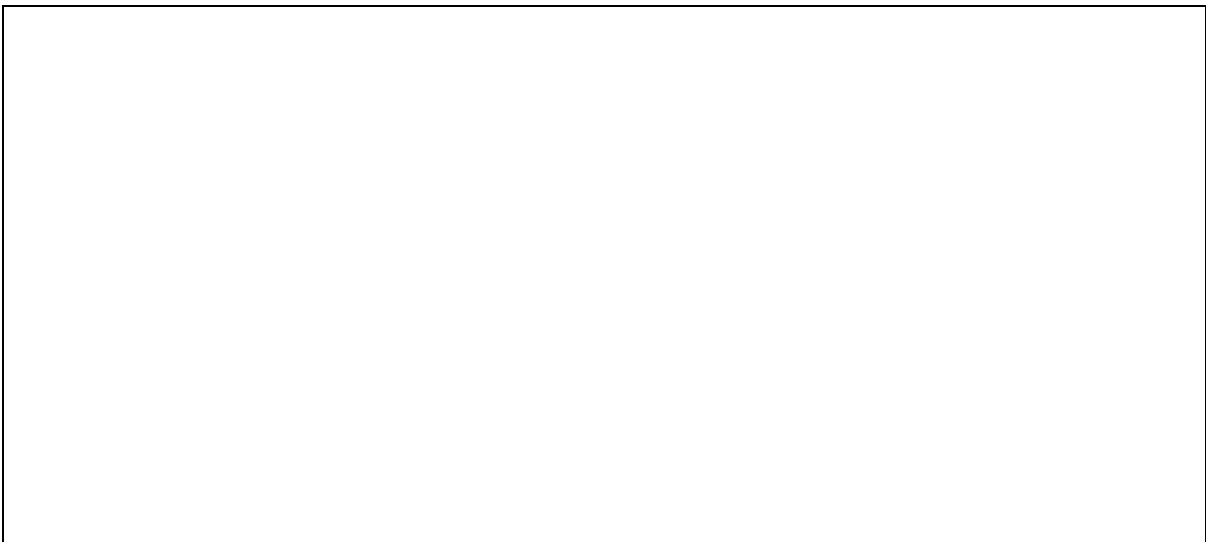
- Yes
- No
- Don't know

If you answered YES, please state what other variables you think should be taken into consideration.

17. Please provide any further feedback on how we should develop and implement a new Early Years Register fee model.



18. Please provide any further feedback on how we could minimise the impact of future fee increases for providers on the Early Years Register.



Equalities Assessment

This section asks for your help in identifying any potential impacts of our proposals on people with protected characteristics. The protected characteristics are: age, disability, marriage and civil partnership, gender reassignment, pregnancy and maternity, race (including ethnicity), religion or belief, sex, and sexual orientation.

Question on Equalities Assessment

19. Please provide any representations and/or evidence on the potential impact of our proposals on people with protected characteristics for the purposes of the Public Sector Equality Duty (Equality Act 2010).



Department
for Education

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