

Regulator Assessment: Qualifying Regulatory Provisions

Title of proposal	Amendments to Adult Social Care Provider handbooks
Lead Regulator	CQC
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Date of assessment	
Commencement date	April 2016
Origin	Domestic
Does this include implementation of a Cutting Red Tape review?	No
Which areas of the UK will be affected?	England

Brief outline of activity

CQC provider handbooks explain what we look for when we inspect. They also set out how we regulate services.

The handbooks describe how we register providers, carry out inspections, and publish our ratings and how we take enforcement action.

In April 2016 we updated the three provider handbooks covering the Adult Social Care sectors regulated by CQC, namely:

- How CQC regulates: Residential adult social care services, Provider handbook
- How CQC regulates: Community adult social care services, Provider handbook
- How CQC regulates: Adult social care services: Hospice services, Provider handbook.

These were minor updates to clarify vague or inconsistent language, update broken links and to reflect previously introduced or changed policy, including:

- Changing vague wording to make existing policy around CQC's comprehensive inspections clearer. There was no change in policy.
- Standardised wording setting out the process for ratings review requests with other sector provider handbooks. There was no change in policy or requirement on providers, it just ensured consistency in wording across provider handbooks for different sectors.
- Changes to the Special Measures section explaining how a service may go into Special

Measures following re-inspection. This was to reflect a change in the Special Measures policy introduced on 1st April 2015, making this change out of scope of the Business Impact Target (BIT). There was no change in policy brought about by the introduction of this information in the Handbooks.

- Hyperlinks changed to updated webpages and guidance around:
 - a) CQC's Safeguarding policy, (which has separately been assessed as out of scope of the BIT target and included on the Non-qualifying regulatory provisions (NQRP) list); and
 - b) the expectation on providers to display the ratings awarded by CQC (which was an existing policy and requirement but had a changed website link).
- Clarifying the format of feedback given to providers on the inspection visit, following the introduction of short written feedback at the end of inspection. This change in policy has been separately assessed as out of scope of the BIT and included on the NQRP list.
- Deletion of the section of the handbook on 'Carrying out a focussed inspection without visiting the premises'. This was not a policy change and did not affect the way we regulated providers.
- For the Hospice handbook only, a footnote was added to reflect a temporary change in the use of questionnaires on CQC Hospice inspections. This change in policy has been separately assessed as out of scope of the BIT and included on the NQRP list.

Which type of business will be affected? How many are estimated to be affected?

All Adult Social Care services regulated by CQC in England are affected by the changes.

Based on CQC management information of providers regulated by CQC, as of 31st March 2016 there were:

- 7,974 Residential Adult Social Care Providers, with a total of 16,697 locations, of which 238 are part of corporate providers
- 5,038 Community based Adult Social Care Providers, with a total of 8,676 locations, of which 183 are part of corporate providers.
- 160 Hospice Service Providers, with a total of 223 locations, of which 2 are part of corporate providers.

The Department of Health proposes that we treat between 87% and 94% of Residential and Community based Adult Social Care services as private. For the purposes of this assessment, we therefore use the mid-point between these estimates and assume that 90.5% of Residential and Community based Adult Social Care services are private.

The Department of Health propose that we treat 70% of Hospice services as private.

Using these Department of Health estimates, we therefore calculate that approximately the following numbers of businesses are in scope of the target:

- 7216 Residential Adult Social Care businesses ($90.5\% \times 7974 = 7216.47$)
- 4559 Community based Adult Social Care businesses ($90.5\% \times 5038 = 4559.39$)
- 112 Hospice Service businesses ($70\% \times 160 = 112$).

As shown above, some providers have multiple locations where they deliver services. We expect the impact of these changes to be on the locations run by these businesses, with an additional impact at the level of the whole organisation for corporate providers only.

We used the same estimated proportion of businesses to estimate the number of locations run by businesses:

- 15,111 Residential Adult Social Care locations run by businesses (90.5% x 16,697 = 15,110.785)
- 7,852 Community based Adult Social Care locations run by businesses (90.5% x 8,676 = 7,851.78)
- 156 Hospice Service locations run by businesses (70% x 223 = 156.1).

We would expect all corporate providers to be businesses so these are the total figures:

- 238 Corporate providers offering Residential Adult Social Care
- 183 Corporate providers offering Community Adult Social Care
- 2 Corporate providers offering Hospice services.

Summary of costs and benefits						
Price base year	Implementation date	Duration of policy (years)	Net Present Value	Business Net Present Value	Net cost to business (EANDCB)	BIT score
2015	April 2016	10	-0.08	-0.08	0	0

Please set out the impact to business clearly with a breakdown of costs and benefits

Below we set out the methodology used and our estimates of the impacts of this change.

Assumptions described below are based feedback from 22 Adult Social Care providers we engaged with for this assessment, where possible.

Based on these assumptions, we then present the estimated costs and benefits.

Assumption One- What businesses would do as a result of the change:

In April 2016, we updated our provider handbooks for Adult Social Care Services, to make minor updates to clarify vague or inconsistent language, update broken links and to reflect previously introduced or changed policy. This change in guidance did not, in itself, change what was required of services.

Based on engagement with 22 Adult Social Care Services, 18 said that where the changes were of this nature, that they would familiarise themselves only with what had changed, but that it would then have no ongoing impact on them in terms of time spent using the handbooks. Of the other four services, two gave no response, one said they were unlikely to familiarise themselves with the changes at all, and the other said it may take more time if the changes required them to do something different (which in this case it wouldn't).

Based on this engagement, we have assumed that relevant individuals (see below) within businesses would:

- read the updated sections of the handbook only; and
- that they would do this as a one off activity, with no further impact on them.

Assumption Two- The scale of the changes in the handbooks:

To estimate the amount of words in the updated sections that would be read by the relevant individuals (see below) within the handbooks we have looked at the difference in word count between the updated versions and the previous versions:

- a. Residential handbook – increase by 324 words (12310-11986)
- b. Community services handbook – increase by 351 words (12126-11772)
- c. Hospice services – increase by 358 words (12252-11894).

Assumption Three- Who in services would read the handbooks:

Of the 22 services we engaged with, we asked them which roles within their organisations would read the guidance. The majority (16 of 21 who answered the question) said that it would be read by the Registered Manager in each location, the Nominated Individual in each location, and in the case of corporate providers only, it would also be read by the Operations Director at a provider level. Of those who gave a different answer, three said more people than this would read it, and two said less people would.

We have therefore assumed that a Registered Manager and a Nominated Individual would read it in each location, and that for corporate providers, one Operations Director per provider would also read it.

Assumption Four- Salaries and overheads of those reading the guidance:

We asked the 22 services we engaged with, which 2015 ONS job categories¹ best represented the roles of Registered Manager, Nominated Individual and Corporate Provider. Thirteen Providers felt able to choose which ONS job role and indicative salary best suited the roles held in their services, although one of these said that for some roles that the lowest salary was an over-estimate. The responses from these services are shown in the table below.

Four other services said their salaries were sufficiently different to make it difficult to choose, of which three did not state whether they should be higher or lower, and one said that for Registered Managers it would be between the lowest and highest rate and for the other two roles, it would be higher than the highest rate.

Sector	Roles	2015 ONS Job Categories		
		Managers and proprietors in health and care services	Residential, day and domiciliary care managers and proprietors	Health and social services managers and directors
		(Median Salary £15.38/ hr)	(Median Salary £15.36/ hr)	(Median Salary £21.78/ hr)
Residential Adult Social Care	Registered Manager	4	4	1
	Nominated Individual	1	4	4

¹ This is the most recently available ONS data.

	Operations Director	1	1	5
Community Adult Social Care	Registered Manager	1	4	1
	Nominated Individual	0	4	2
	Operations Director	1	0	3
Hospice Services	Registered Manager	1	0	0
	Nominated Individual	0	1	0
	Operations Director	0	1	0

In all cases we have chosen the salary for the ONS category that was chosen by the highest number of services to represent job roles. Where there was an even split between two ONS job categories we have chosen the category with the highest salary. The exception for this is for Hospices, where only one service responded with answers. In this instance we have chosen the ONS category of 'Health and social services managers and directors' for the 'Operations Director'. This has the highest salaried ONS job category and was the most commonly selected category for 'Operations Director' in the other two sectors.

The chosen ONS job categories for each role, by sector, is highlighted in green in the table above.

For all salaries, we have assumed 20.2% overheads, using Eurostat 2016 Assumptions.

Assumption Five- Reading speed and time:

As this is technical guidance for health and social care professionals, we have assumed that the guidance is pitched at a graduate reading level, which according to Oxford Guide to Plain English², would have an average reading speed of 75 words per minute.

Based on the number of words we would expect the individuals to read to familiarise themselves with the changes, we would estimate that it would take:

- 0.07 hours for each person to read the amended sections of the guidance for residential adult social care services (324 words / 75 words per minute / 60 minutes = 0.07 hours)
- 0.08 hours for each person to read the amended sections of the guidance for community adult social care services (351 words / 75 words per minute / 60 minutes = 0.08 hours)
- 0.08 hours for each person to read the amended sections of the guidance for Hospice services (358 words / 75 words per minute / 60 minutes = 0.08 hours).

Familiarisation Cost to businesses

Based on the above assumptions we think there is a one-off cost in the 2016/17 financial year of approximately £72,496 to Adult Social Care businesses to read and familiarise themselves with the changes to the Provider Handbooks.

² <http://thecreativegenie.com.au/effective-writing/applying-readability-tests-to-a-document/>

Cost to Residential Adult Social Care businesses:

- Registered Managers: 0.07 hours x £15.38 per hour x 15,110.785 locations x 1.2 for 20.2% overheads = £20,113
- Nominated Individual: 0.07 hours x £21.78 per hour x 15,110.785 locations x 1.2 for 20.2% overheads = £28,483
- Operations Director: 0.07 hours x £21.78 per hour x 238 corporate providers x 1.2 for 20.2% overheads = £ 449

£20,113 + £28,483 + £449 = £49,045.

This represents an average cost per Residential Adult Social Care Business of £6.80 (£49,045 / 7216.47 = £6.80).

Community Adult Social Care Businesses:

- Registered Managers: 0.08 hours x £15.36 per hour x 7851.78 locations x 1.2 for 20.2% overheads = £11,307
- Nominated Individual: 0.08 hours x £15.36 per hour x 7851.78 locations x 1.2 for 20.2% overheads = £11,307
- Operations Director: 0.08 hours x £21.78 per hour x 183 corporate providers x 1.2 for 20.2% overheads = £ 374

£11,307 + £11,307 + £374 = £22,988.

This represents an average cost per Community Adult Social Care Business of £5.04 (£22,988 / 4559.39 = £5.04).

Hospice Businesses:

- Registered Managers: 0.08 hours x 15.38 per hour x 156.1 locations x 1.2 for 20.2% overheads = £230
- Nominated Individual: 0.08 hours x 15.36 per hour x 156.1 locations x 1.2 for 20.2% overheads = £229
- Operations Director: 0.08 x £21.78 per hour x 2 corporate providers x 1.2 for 20.2% overheads = £ 4

£230 + £229 + £4 = £463

This represents an average cost per Hospice Business of £4.13 (£463 / 112 = £4.13).

Total Cost to all Adult Social Care businesses is £72,496 (£49,045 + £22,988 + £463 = £72,496). This represents a one-off cost for the 2016/17 financial year.

Benefits to businesses

We expect that there may be some small benefits to businesses of having guidance that is slightly clearer and has updated references. However, as these changes do not require businesses to do anything differently and feedback from services suggested that these levels of changes would have no ongoing impact, this has not been possible to quantify.