Care Bill

Impact assessments – a summary and overview

Updated in December 2013 for the Bill's introduction to the House of Commons

There are 11 impact assessments, which each incorporate an equality impact assessment, for the Care Bill. This document summarises them.

Costs and benefits are given in terms of present value (PV), which represents costs or benefits over 10 years[1] discounted for the future, and are assessed in line with HM Treasury Green Book guidelines. Each impact assessment explains how costs and benefits are derived.

PART 1

Care and support legal reform impact assessment
Costs: -£882 million (10 year PV)
Benefits: £10.015 billion (10 year PV)
This document covers most of the provisions relating to adult care and support in England (most of Part 1), except for those covered by other specific impact assessments. It sets out the expected benefits of the reforms, in terms of improved outcomes and experience of care, and the more effective use of public and community resource by improving the personalisation of services, enabling people to have increased flexibility, choice and control over how their desired outcomes are achieved. It also sets out the expected costs from wholly or substantially new legal duties set out in the Bill, including increased assessment and support for carers, access to independent advocacy in specific circumstances, continuity of care when people move between local authority areas, care and support in prisons, new safeguarding arrangements, and the implementation of legal reform (administrative changes and workforce training). Costs are outweighed by savings from creating clearer and simpler legislation, reducing the administrative burden and reducing the risks of mistakes and incorrect advice.

Care and support funding reform impact assessment
Costs: £12.37 billion (10 year PV)
Benefits: £14.76 billion (10 year PV)
This document covers provisions to put a cap on the costs an individual has to pay to meet their eligible care and support needs. It assesses that there are benefits arising from providing people with financial protection from catastrophic care costs such as peace of mind from knowing they do not risk losing all their assets to pay for their care, and from encouragement for people to prepare for their care needs in later life. Costs arise from funding care for those people who exceed the cap and from the proposed increase to the capital threshold, as well as from the provision of additional assessments for self-funders

[1] Not all impact assessments use the same baseline year, as provisions will come into force in different years.

and possible set-up costs. Costs are partially offset by the consequential reduction in costs of attendance allowance and disability living allowance.

Universal deferred payment scheme impact assessment
Costs: £112 million (10 year PV)
Benefits: £366 million (10 year PV)
This document covers the provisions that give local authorities a duty to offer deferred payments. It assesses that there are benefits, chiefly peace of mind for homeowners who can defer residential care fees. It also sets out the expected costs, including both the inherent cost of providing loans as well as the costs of administering the scheme, as well as potential impacts on the housing market. Costs are partly offset by charging interest.

Market oversight in care and support impact assessment
Costs: £13 million (10 year PV)

- £10 million public sector costs
- £3 million business costs

Benefits: £108.1 million (10 year PV)
This document covers provisions to ensure the continuity of care for vulnerable care service users in the event of financial distress and market exit of a major provider of care services. It assesses that there are benefits arising from reassurance and protection for those receiving care now and in the future, their carers and families. It also sets out an illustrative estimate of the costs that will be incurred by CQC in establishing and managing the regime, and by providers who are within scope of meeting the requirements of the regime.

Because it imposes a burden on business, this impact assessment was reviewed by the Regulatory Policy Committee, who agreed that the impact assessment was fit for purpose.

PART 2

The development and implementation of aggregate ratings and the integrated failure regime are likely to impose an additional burden on the regulators, particularly CQC. Because the costs and manpower implications, particularly of aggregate ratings, depend to a significant extent on how the proposed schemes are operated, it is not yet possible to quantify them. In addition, trying to do so at this stage would run the risk of inaccurate estimation of costs both across measures associated with the Government’s response to the Report of the Mid-Staffordshire NHS Foundation Trust Public Inquiry, led by Robert Francis QC, and with what the CQC currently does now. The overall effect of the measures being taken forward in response to the Francis report on the regulators and their funding will be set out in impact assessments accompanying the full Government response, to be published in the autumn of 2013.

Provider ratings review impact assessment
Costs: Non-monetised (10 year PV)
Benefits: Non-monetised (10 year PV)
This document covers provisions for CQC to undertake ratings for health and social care providers, giving a single version of provider performance. It assesses that there are benefits of improved patient choice and greater incentives for performance improvement among

providers. The scheme should lead to increased accountability, improved choice for patients, and increased ability for commissioners to make better evidence-based decisions and make the comparative quality of services clear to providers. There will be costs to CQC of setting up and running the scheme, but these are not quantified.

Single failure regime impact assessment
Costs: Non-monetised (10 year PV)
Benefits: Non-monetised (10 year PV)
This document covers the establishment of a new failure regime to ensure that, where the standard of care is below an acceptable level, action is taken until it is properly and promptly resolved. The benefits arise from building the correct incentives into the regulatory system and improving communication and alignment between the regulators, resulting in improved outcomes for patients. Costs will fall on the regulators who will operate the regime (CQC, Monitor and the NHS Trust Development Authority), and there may be some small additional costs to providers, which are not quantified.

False or misleading information impact assessment
Costs: £1.8 million (10 year PV)
Benefits: Non-monetised
This document covers the creation of a new offence of supplying or publishing false or misleading information. The benefits accrue from improved transparency, accountability and confidence in the provision of such information, allowing corrective interventions to be taken earlier. The offence could prevent future incidents of poor care and improve the quality of care in general, through better provider internal control, better patient choice and better commissioning and regulation. The costs arise from additional investigations and prosecutions and would fall to the police, Crown Prosecution Service and HM Courts and Tribunals Service, as well as another organisation in the health and social care system which could assist with building cases. There may be some necessary costs to providers of ensuring compliance, but they should already be doing this. Those that are subject to prosecution will incur costs of defending legal action.

CQC loophole closure impact assessment
Costs: Non-monetised
Benefits: Non-monetised
This document covers the closure of a legislative loophole that enables providers to avoid a record of poor care by closing down a service before it is de-registered by CQC. It sets out the benefits, which are associated with increased transparency about provider compliance with CQC requirements, and a level playing field for providers. No significant costs are expected. Providers who would have evaded enforcement action will face negative publicity and low additional administration costs.

PART 3

Health Education England impact assessment
Costs: 0
Benefits: Non-monetised

This document covers the establishment of HEE as a non-departmental public body, to ensure that the education and training system can operate safely and effectively as part of a stable health and social care system. Benefits are expected to arise from greater confidence among the public and NHS stakeholders that their needs and expectations will be addressed and that investment in education and training will be directed by service and clinical priorities. There are no expected costs.

Health Research Authority impact assessment

Costs: £0.068 million (10 year PV)

Benefits: Non-monetised

This document covers the establishment of HRA as a non-departmental public body. It describes the benefits arising from establishing HRA as an arm's length body which would give it the independence to put interests of research participants and the public first, and providing stability for researchers and funders. There may be a cost to HRA of recruiting and salary payment for one non-executive director.

Trust Special Administration impact assessment

Costs:

Benefits:

This document covers the provisions that put beyond doubt that the remit of a Trust Special Administrator (TSA) is to make recommendations that may apply to services beyond the confines of the trust administration where it is necessary for and consequential on primary recommendations about that trust; and that the Secretary of State, for NHS trusts, and Monitor for NHS foundation trusts, have the power to accept such recommendations. The policy also aims to strengthen the requirements for a TSA to seek the support of commissioners affected by their recommendations. The main costs will fall on DH and are likely to be costs of extending the time the TSA has to complete their draft report, and allowing more time for the TSA to undertake consultation on that report. Given that the failure regime will only be used in exceptional circumstances when a trust is failing, significant cost savings are likely to be realised as a result of securing a sustainable solution , thereby reducing the need for on-going deficits to be supported.

SUMMARY

A summary of costs to the public sector (but not costs to business), and corresponding benefits, arising from the Care Bill are shown below. Figures are given in terms of present value, which represents costs or benefits over 10 years[2] discounted for the future.

[2] Not all impact assessments use the same baseline year, as provisions will come into force in different years. Details are given in each impact assessment.

	Impact assessment	Public sector costs (present value) (£m)	Benefits (present value) (£m)
Part 1	Funding reform	12,370	14,760
	Legal reform	-882	10,015
	Deferred payments	112	366
	Market oversight	10	108.1
Part 2	Single failure	Non-monetised	Non-monetised
	Ratings	Non-monetised	Non-monetised
	False and misleading information	1.8	Non-monetised
	S19 loophole	0	Non-monetised
Part 3	HEE	0	Non-monetised
	HRA	0.068	Non-monetised
	Trust Special Administration		