



The voice of NHS leadership

Health Select Committee Care Quality Commission accountability inquiry

NHS Confederation response, November 2016

About the NHS Confederation

The NHS Confederation is the only body to bring together the full range of organisations that make up the modern NHS. We are an independent membership organisation that represents all types of providers and commissioners of NHS services.

1. Introduction

1.1 Thank you for the opportunity to respond to this inquiry into the Care Quality Commission (CQC).

1.2 The NHS Confederation is generally positive about the direction of travel the CQC laid out in its 2016-2021 strategy document, including the move towards risk-based regulation and use of a broader perspective on the quality of health and care across a local area.

1.3 But we are concerned about the value for money offered by the CQC, particularly as its huge increase in fees levied on the health sector coincides with moving towards a light-touch approach to inspections.

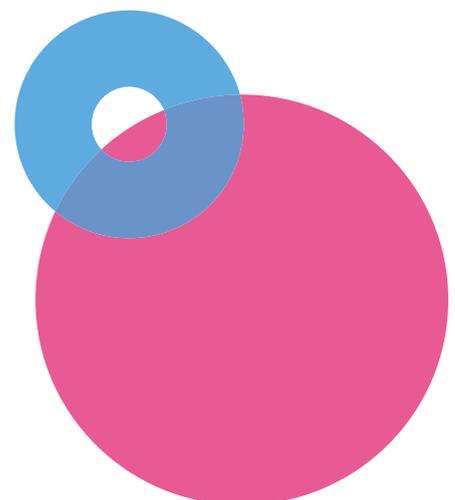
1.4 The NHS Confederation has a positive working relationship with the CQC and we are keen to continue to work with them to improve patient care.

2. Direction of travel

2.1 NHS Confederation members are generally very positive about the proposed direction of travel outlined in the CQC 2016-2021 strategy. For example, in our most recent member survey, which attracted over 300 responses from senior NHS leaders, 94 per cent support the regulator undertaking 'fewer and more targeted inspections' – 64 per cent 'strongly' endorse this. Eighty-seven per cent support the notion of care quality assessments across local health economies, with 56 per cent 'strongly' supporting this.

2.2 We welcome the CQC's acknowledgement that patient experience is significantly affected by how services work together on delivery and that quality regulation will need to evaluate care coordination across health and care, as well as within individual providers.

2.3 However, our members continue to express concern that the current approach to inspections casts judgement on issues that are outside of their control. The NHS Confederation advocates the evolution of regulation into a



more place-based approach, with a broader perspective on the quality of health and care across a local area.

2.4 Place-based assessment has the potential to empower local leaders across provider and commissioner organisations to work more collaboratively. We are, nevertheless, aware of the challenges involved in developing an approach for evaluating quality across pathways and places while ensuring appropriate accountability arrangements.

2.5 Therefore, we welcome the decision by the CQC to continue to undertake ongoing assessments of quality in a local area and suggest that the focus of future inspections should be on local systems rather than individual providers.

2.6 Our NHS Partners Network, which represents independent and third sector providers of NHS services, welcomes the recent work the CQC has done to improve its understanding of the independent sector and ensure it is able to carry out the most effective possible regulation of independent services.

2.7 However, our Mental Health Network, which represents providers from across the statutory and non-statutory mental health sectors, has continued to express concern that the current approach to regulation and inspection still feels more appropriate for the acute sector. The network would like to see the level of mental health expertise enhanced at the regulator to help refine the model. Over half of NHS Confederation members surveyed said they disagreed that the CQC is making progress on refining the regulatory approach for different types of providers, with only 27 per cent of members agreeing.

3. Value for money

3.1 The CQC must demonstrate that it is delivering value for money if it is to retain credibility with our members, particularly as the regulator will soon start to assess providers' use of resources. It is therefore disappointing to see only a modest reduction in operating income being planned by CQC up to 2020/21, after the commitment in its strategy that it would move towards a more light-touch approach to regulation and inspection. We would expect this to cost less due to the reduction in the number of comprehensive inspections taking place. We are concerned that the CQC has yet to robustly evaluate the cost of inspections for NHS providers.

3.2 Only 8 per cent of our respondents agreed the CQC is making progress on delivering value for money, with 76 per cent disagreeing (including 39 per cent 'strongly' voicing this view). To ensure credibility, CQC will need to demonstrate significant progress in addressing these issues – particularly given the scale and speed of the fee increases it has introduced.

3.3 This call for greater value for money is very much linked to an urgent need for greater alignment across the arm's-length bodies and the requirements they place upon the NHS. In our most recent member survey, 96 per cent of NHS leaders agreed that national bodies need to better align their work, priorities and purpose to support efforts to improve quality.

3.4 Our Challenging bureaucracy report[1], commissioned by the Secretary of State and endorsed by the government, advocated that all national bodies should reduce their bureaucratic burden by 10 per cent over each of the subsequent two years. However, the CQC's bureaucratic burden has increased rather than decreased during that period (2013-2015) which is reflected in the 25 per cent rise in its income during this time.

4. Fees

4.1 We acknowledge the requirements imposed upon the CQC by HM Treasury to implement full cost recovery from the organisations it regulates. However, the steep and sudden increase in fees seriously risks jeopardising the goodwill of our provider members towards the new approach to inspections.

4.2 In November 2015, the CQC held a consultation on its regulatory fees from April 2016. The main question was on whether the path to full chargeable cost recovery should be completed in the context of a two- or four-year trajectory. Eight per cent of respondents indicated a preference cost recovery over two years and 92 per cent indicated a preference for cost recovery over four years [2].

4.3 Despite this overwhelming support for the four-year trajectory, the CQC recommended to the Secretary of State that the two-year full cost recovery option be imposed for all providers except community social care and dental providers. This means a fee increase in 2016/17 of 75 per cent for NHS trusts, which amounts to trusts collectively paying £40m more in fees in 2016/17 than the previous financial year. We also note that in 2017/18 fees are set to increase by another 48 per cent.

4.4 We understand that the CQC has a statutory duty to consult annually on regulatory fees, but the outcome of the consultation went against the views of 92 per cent on respondents. This makes us question the meaningfulness of the consultation, which appears to be little more than a tick-box exercise.

5. Risk-based regulation

5.1 The NHS Confederation has long endorsed a lighter-touch approach to regulation and inspection for providers that have demonstrated sustained high-performance. We also feel the CQC should recognise the need for a sliding scale of more active regulatory intervention for other providers. We therefore welcome the CQC's intentions to introduce risk-based regulation.

5.2 This was the theme that attracted the greatest level of endorsement in our member survey, with 64 per cent 'strongly' supportive and 30 per cent 'somewhat' supportive.

5.3 We hope that additional emphasis on a risk-based approach can help to drive greater efficiencies in the regulatory model, while also supporting our members rated 'requires improvement' or 'inadequate' in the first round of comprehensive inspections to be able to promptly demonstrate improvements made to enhance their ratings.

6. Reports

6.1 We welcome the increase in reports published by the CQC within their 50 working days target, however the percentage of reports published within this timescale is still low, at only 62 per cent in 2015/16[3].

6.2 Due to the pace of transformation in the health service, it is important that findings from CQC inspections are published as soon as possible, otherwise conclusions contained in reports may no longer be relevant.

6.3 While we also welcome the CQC's commitment to make reports more concise, it is important that they remain meaningful for the various target audiences and sufficiently comprehensive. We

also continue to argue for greater consideration to be given on the tone of reports to ensure that providers feel supported and driven to implement quality improvement.

7. New models of care

7.1 Our members have expressed concerns that the CQC is not making sufficient progress in supporting new models of care and innovative approaches. Sixty-nine per cent of respondents to our survey disagreed that the CQC is making sufficient progress in supporting new models of care and 76 disagreed that it is supporting innovative approaches. Only 10 per cent felt it was making sufficient progress.

7.2 The development of new models of care is complex and happening at pace. New approaches to planning and delivering care can involve integration and risk-sharing across existing structures, or the creation of new organisations such as accountable care organisations. It is important that CQC supports members around these new models of care and does not create unnecessary barriers to their implementation.

8. Single view of quality

8.1 The current regulatory system often requires providers to submit data and performance information to a number of organisations, including the CQC, NHS Improvement, NHS England, clinical commissioning groups and NHS Digital. Different organisations require information in different formats. This can be a heavy burden on providers and can take much-needed resources away from the frontline.

8.2 We feel that an appropriately designed ‘shared view of quality’ across the health and care sectors has great potential to both reduce the regulatory burden on providers and enable frontline staff to feel more engaged in the process on an ongoing basis.

8.3 The NHS Confederation continues to work with relevant partners across the health and care system to make the case for new datasets to address the current variability in available data across a number of quality domains. Data requests are too frequently focused on processes as opposed to outcomes at present, for example.

8.4 There is also clear potential for efficiency savings to be made around harmonisation of both data collection and the use of information across national bodies. We would argue that our members should be enabled to provide a single submission to suit all needs.

8.5 We hope that the CQC’s planned approach to having a single framework for understanding and reporting on quality can start to help address these ongoing concerns, raised by our members, over the lack of alignment across the arm’s-length bodies.

9. Provider ratings

9.1 The NHS Confederation remains concerned about elements of the CQC’s ratings system. In particular, the concept of a single rating for a complex provider delivering a significant range of services, which we argue could be almost meaningless.

9.2 We welcome the long-term piece of work – which the NHS Confederation has fed into – currently being conducted by The King’s Fund, commissioned by the Department of Health, into CQC provider ratings and their impact on care quality.

9.3 Finally, CQC guidance frequently refers to the rating of ‘hospitals’ and the core services within hospitals and does not appear to adequately reflect the way in which services are more and more commonly delivered in the community. This is symptomatic of a frequently voiced complaint from our members across other parts of the service that they feel the CQC’s arrangements have been developed primarily with the acute sector in mind.

10. Follow up

If you have any queries about this submission, please contact Emma Paveley, senior public affairs officer for the NHS Confederation (emma.paveley@nhsconfed.org).

[1] <http://www.nhsconfed.org/~media/Confederation/Files/Publications/Documents/challenging-bureaucracy.pdf>

[2] http://www.cqc.org.uk/sites/default/files/20160406_opm_detailed_analysis_cqc_consultation_fees_2016-17.pdf

[3] http://www.cqc.org.uk/sites/default/files/20160721_annualreport_2015-16.pdf