

# Regulatory fees for assessing integrated care systems: consultation outcome

Our [consultation: regulatory fees for integrated care system assessments](#) ran from 26 October to 21 December 2023

## Introduction

We are the independent regulator of health and social care in England. The Health and Social Care Act 2008 (as amended by the Health and Care Act 2022) gives us a new duty to carry out [reviews and performance assessment of integrated care systems](#).

Integrated care systems are partnerships of organisations that come together to plan and deliver joined-up health and care services to improve the lives of people who live and work in their area. There are 42 integrated care boards across England to plan, manage and arrange health services in a geographical area.

Our regulatory fee model is compliant with section 6 of HM Treasury's guidance on [managing public money](#). It assists us to recover the full regulatory cost associated with discharging our regulatory duties. As such, and in the absence of funding from elsewhere, we are expected to charge a fee for any new regulatory function we undertake. [The Care Quality Commission \(Fees\) \(Reviews and Performance Assessments: Integrated Care System\) Regulations 2023](#) prescribes this new function for the purposes of section 85 of the Health and Social Care Act 2008. This enables CQC to charge fees to cover the cost of performing that function.

We recently [consulted on our proposed approach to recovering our regulatory costs for assessing integrated care systems](#). In our consultation we proposed to recover our regulatory costs for assessing integrated care systems by charging integrated care boards an annual regulatory fee. We also outlined alternative options we considered, including the option to charge health and social care providers and/or local authorities a regulatory fee for assessing integrated care systems.

We received 41 responses to our public consultation, open for 8 weeks between 26 October 2023 and 21 December 2023. Of the total responses, 17 respondents were responding on behalf of an organisation and 24 responses were from individual respondents. We received responses from 8 integrated care boards as well as responses from 2 organisations representing views of integrated care boards.

We considered and analysed all consultation responses. Here, we summarise the overarching themes from respondents and outline our response to the themes. In the annex we include a summary of the consultation responses for each question in further detail.

# Our decision and next steps

## Our decision

In the short term, we intend to charge integrated care boards an annual regulatory fee to recover our costs for our regulatory oversight of integrated care systems.

We considered and analysed all consultation responses and are grateful to all respondents for inputting their views. Following consideration of all consultation responses and acknowledging some suggestions from respondents are beyond our control as a regulator, we still consider the advantages of our proposed approach outweigh other options we considered.

## Next steps

Following government approval, we will publish an updated [fees scheme](#), the level of integrated care board fees for 2024/25, and associated timings and process for payment ahead of starting assessments. We will continue to consider ways to mitigate our regulatory costs where possible, to ensure the most amount of money is available for patient care.

Following further engagement with stakeholders, and findings from our [pilot assessments of integrated care systems](#), we reviewed our approach and methodology for assessing integrated care systems. We want to ensure our reviews and performance assessments of integrated care systems add value to assessments we already undertake for organisations within an integrated care system. We also want to avoid duplication of work for integrated care boards and other organisations within an integrated care system, including those we regulate.

# Summary of respondent views and our response

Our public consultation about recovering [our regulatory costs for assessing integrated care systems](#) was open between 26 October 2023 and 21 December 2023. We asked 5 consultation questions, shown below:

- Question 1: Do you agree with our proposed approach to recovering our regulatory costs for assessing integrated care systems by charging integrated care boards an annual regulatory fee?
- Question 2: Please tell us the reasons for your answer
- Question 3: Are there any other options we should consider?
- Question 4: Are there any other regulatory impacts we should consider?
- Question 5: Are there any other equality impacts we should consider?

We received a total of 41 consultation responses (24 individual responses and 17 made on behalf of an organisation or body). There were 40 responses to question 1, of which 16 respondents agreed with our proposed approach (11 individuals and 5 responses from an organisation or body) and 23 respondents disagreed (12 individuals and 11 responses from an organisation or body). One respondent neither agreed nor disagreed and 1 respondent did not complete a response to question 1. See annex for a more detailed summary of responses for each question.

When analysing consultation responses across all questions we identified the following overarching themes. We next outline these themes along with our considered response, showing how we considered the responses in making our decision. The overarching themes are:

- central funding for assessing integrated care systems
- recovering our regulatory costs from a wider range of organisations in an integrated care system
- current financial challenge facing integrated care boards
- our role and responsibility to assess integrated care systems

- adapting our regulatory activity for assessing integrated care systems

## Central funding for assessing integrated care systems

Many respondents suggest our regulatory costs for assessing integrated care systems should be more centrally funded, for example, directly from the government, from NHS England, or we directly fund our regulatory activity of assessing integrated care systems.

**Our response:** While we welcome all responses, we clarify this suggestion is beyond our control. We can only charge a regulatory fee where we have power to do so. There is no funding available from the government, and as a regulator we are expected to comply with HM Treasury's managing public money guidance. Government guidance states there to be a clear and direct link between us charging a regulatory fee and benefits to the recipient.

## Recovering our regulatory costs from a wider range of organisations in an integrated care system

Some respondents suggest any regulatory fee is distributed across organisations in the integrated care system. For example, charging health and social care providers and local authorities, alongside charging integrated care boards.

**Our response:** We recognise integrated care systems involve a wide range of partners who contribute to health and social care in the system, for example providers and / or local authorities, and who could financially contribute to our regulatory oversight of integrated care systems. Our consultation captures this option as one we considered for how to recover our regulatory costs for assessing integrated care systems. We consider our independent assessment of integrated care systems will especially provide strategic benefits to integrated care boards. We also consider our intended approach is more straightforward to implement and administer. It also avoids any potential additional regulatory fee for other integrated care system partners. Some of these may already be paying a fee for our regulatory oversight.

## Current financial challenge facing integrated care boards

Respondents comment on the current financial challenges facing organisations across the integrated care system, including integrated care boards. Respondents highlight there is already an announced reduction in integrated care board's future running cost allowance. Respondents therefore note an additional regulatory fee will further impact on funding available to an integrated care board which they say will in turn impact on patient care and workforce.

**Our response:** We recognise our intended approach to recovering our regulatory costs for assessing integrated care systems directly reduces the amount of money available to integrated care boards to deliver their objectives. As outlined in our next steps we continue to consider ways to mitigate the level of our regulatory costs, which in turn may help to minimise the amounts payable by integrated care boards in regulatory fees.

## Our role and responsibility to assess integrated care systems

Respondents highlight how we already assess other organisations within an integrated care system including, for example, health and social care providers. Some respondents therefore question whether we need to also assess integrated care systems.

**Our response:** We welcome all consultation responses and are grateful respondents took the time to input their views. We clarify our statutory duty from the Health and Social Care Act 2008 (as amended by the Health and Care Act 2022) is to conduct reviews and performance assessments of integrated care systems. We are working with stakeholders to ensure our assessment of integrated care systems adds value to the assessments we already undertake for organisations within an integrated care system.

## Adapting our regulatory activity for assessing integrated care systems

Many respondents took the opportunity to offer views on our assessment methodology and process for assessing integrated care systems. Suggestions from respondents were mostly aiming to mitigate the level of our regulatory costs for assessing integrated care systems. Respondents were also seeking assurance around the benefits of our assessments. Some respondents suggested our regulatory activity could be adapted and should take account of evidence from integrated care board peer reviews and assessments.

**Our response:** We direct stakeholders to [integrated care system assessments](#) for updates and information about our assessment programme. We clarify this consultation is about how we recover our regulatory costs for assessing integrated care systems. Our methodology for assessing integrated care systems is therefore beyond the scope of this consultation. We are of course grateful for all consultation responses, and we carefully considered all respondent views.

## Regulatory impact assessment

In our consultation we outline how we consider the direct costs of our proposed approach on integrated care boards:

- the administrative cost of paying an annual regulatory fee
- the financial cost of the regulatory fee itself

We next summarise respondent views along with our considered response. In the annex we provide a more detailed summary of responses for each question.

Many respondents highlighted that a regulatory fee would impact on an integrated care board achieving its objectives. Respondents also noted how the level of any regulatory fee could financially impact this. Respondents also offered views relating to a regulatory impact of us assessing integrated care systems.

**Our response:** Respondents did not raise any additional factors to take into account as part of our regulatory impact assessment. We therefore finalise our regulatory impact assessment for our intended approach to recovering our regulatory costs for assessing integrated care systems. As outlined in our next steps we will continue to consider ways to mitigate the level of our regulatory costs for assessing integrated care systems. The regulatory impact of us assessing integrated care systems is beyond scope of this consultation.

## Equality impact assessment

In our consultation we outlined our equality duties and how we considered the equality impact at every stage of our consultation development. We recognise our proposed approach means an integrated care board has reduced money available to achieve its objectives, including tackling health inequalities. In our consultation we outlined our considerations for the 'do-nothing' option, where we don't assess integrated care systems, and why we proceeded with our proposed approach.



We next summarise respondent views along with our considered response. In the annex we provide a more detailed summary of responses for each question.

Respondents highlighted the impact of an integrated care system having reduced money available to achieve its objectives, including tackling health inequalities. Some respondents noted how subsequent health care delivery will have an impact on equalities. Some respondents highlighted specific examples of equalities care which they expect should exist in the health and social care system.

**Our response:** Respondents did not raise any additional equality impact considerations of our proposed approach. We therefore finalise our equality impact assessment for our intended approach to recover regulatory costs for assessing integrated care systems. For specific cases of equalities impact for patient care we clarify that all statutory bodies must comply with public sector equality duty and equalities legislation.

# Annex: Summary of consultation responses per question

Our public consultation [Regulatory fees for integrated care system assessments](#) was open between 26 October 2023 and 21 December 2023. We published the consultation on our website, and respondents could respond online. We asked 5 questions; all questions were optional to complete:

- Question 1: Do you agree with our proposed approach to recovering our regulatory costs for assessing integrated care systems by charging integrated care boards an annual regulatory fee?
- Question 2: Please tell us the reasons for your answer

- Question 3: Are there any other options we should consider?
- Question 4: Are there any other regulatory impacts we should consider?
- Question 5: Are there any other equality impacts we should consider?

We note some responses covered issues that are beyond scope for this consultation. For example, some respondents raised points relating to healthcare in general, or regulatory oversight of integrated care systems, (including our methodology for their assessment). In our analysis summary, we don't discuss every point made by those who responded to our consultation. In making our decision, however, we considered all the points made in response to the consultation.

## Who responded

We received 41 responses to our consultation. We asked respondents to identify whether their response was on behalf of an organisation or whether they were responding with an individual view. We received 17 responses on behalf of an organisation and 24 responses from individuals. While responses submitted on behalf of organisations or bodies are likely to represent the views of any number of individuals, the numbers within the analysis do not account for this, as each response is counted as 1.

Of the responses from organisations, we received responses categorised as:

- integrated care boards (8)
- representing a national or regional body (2)
- health care provider (2)
- trade association or other body that represents health and social care providers (4)
- organisation representing people (1)

# Summary analysis of responses for each question

We next summarise the consultation responses for each question.

## Question 1: Do you agree with our proposed approach to recovering our regulatory costs for assessing integrated care systems by charging integrated care boards an annual regulatory fee?

For question 1 we asked respondents to tell us the extent to which they agreed or disagreed with our proposed approach using a 5-point response scale (strongly agree, agree, neither agree nor disagree, disagree, and strongly disagree).

We received a total of 40 responses to question 1 (see table 1). Of these total respondents, 16 agreed with our proposed approach (10 strongly agree, 6 agree) and 23 respondents disagreed with our proposed approach (16 strongly disagree, 7 disagree). One respondent neither agreed nor disagreed and 1 respondent didn't complete a response to question 1.

For respondents on behalf of an organisation, we received 16 responses to question 1 (see table 1). Of respondents on behalf of an organisation 5 agreed with our proposed approach (2 strongly agree, 3 agree) and 11 disagreed with our proposed approach (7 strongly disagree, 4 disagree). One respondent on behalf of an organisation didn't complete a response to question 1.

For individual respondents, we received 24 responses to question 1 (see table 1). Of the individual respondents 11 agreed with our proposed approach (8 strongly agree, 3 agree) and 12 disagreed with our proposed approach (9 strongly disagree, 3 disagree). One individual respondent neither agreed nor disagreed.

Number of responses from question 1, whether respondents agree with our proposed approach

	<b>Total responses</b>	<b>Number of responses 'on behalf of an organisation'</b>	<b>Number of responses 'from an individual'</b>
Strongly agree	10	2	8
Agree	6	3	3
Neither agree or disagree	1	0	1
Disagree	7	4	3
Strongly disagree	16	7	9
<b>TOTAL</b>	<b>40</b>	<b>16</b>	<b>24</b>

Of the 8 responses directly from integrated care boards care boards, 7 responded to question 1. One integrated care board didn't complete a response to question 1. Of organisations representing views of integrated care boards, 2 responded to question 1. These 9 respondents all disagreed with our approach (6 strongly disagree, 3 disagree).

**Question 2: Please tell us the reasons for your answer**

In question 2 we asked respondents to tell us the reasons for their answer to question 1. We received a total of 36 responses to question 2 (17 responses on behalf of an organisation and 19 responses from individuals). We received a rich range of responses, which we summarise below.

For respondents who agreed with our approach, their reasons include:

- a consideration of the proposed approach being fair and proportionate and bringing parity to organisations paying regulatory fees within the health and social care system. For example, health and social care providers already pay regulatory fees for our regulatory oversight.
- an acknowledgement that regulatory fees are necessary in order for our required regulatory activity to be funded. For example, a respondent noted how we needed to cover our costs of regulatory activity.
- an agreement that integrated care systems should be regulated.

For respondents who disagreed with our approach, their reasons include:

- the impact on financial constraints where respondents highlight the current pressure on NHS finances and expected continued financial strain over the next few years. Respondents note how financial restraints will impact on the integrated care board delivering its objectives and, on its workforce.
- disagreement with regulatory process where respondents note a disagreement with assessing integrated care systems in addition to our current regulatory activity assessing health and social care providers. Some respondents also noted disagreement with the principle of charging any fee for regulatory oversight.
- the impact on patient care acknowledging money used for regulatory fees means less money available for patient care.

- costs should be covered by government or more centrally where respondents suggest we should instead gather fees from other sources. Some respondents suggest we recover fees from a wider range of organisations across the integrated care system, for example including health and social care providers.
- lack of clarity on value of assessment where respondents consider there is insufficient information about how assessing integrated care systems will offer value or provide value for money.

The respondent who neither agreed nor disagreed did not respond to question 2.

### Question 3: Are there any other options we should consider?

In question 3 we asked respondents whether there are any other options we should consider. We received 29 total responses to question 3 (16 responses on behalf of an organisation and 13 responses from individuals). We outline our considered response to question 3 responses within the earlier section 'summary of respondent key themes and our response'.

Respondents noted the following suggestions for us to recover our regulatory costs for assessing integrated care systems:

- recover our regulatory costs from more central funding, for example, directly from government or from NHS England
- adapt our planned regulatory activity for assessing integrated care systems to reduce our regulatory costs. Examples include for us to adapt our regulatory activity to include evidence from integrated care boards' peer review or existing evidence from NHS England assessments of integrated care boards. Further examples include using evidence from existing independent external audits (relating to value for money or scrutiny of processes). Another suggestion from respondents was for us not to undertake any activity relating to assessing integrated care system and therefore we would not incur any regulatory costs.

- to change the level of regulatory fees we charge for regulatory oversight of other organisations. For example, we recover our costs from wider organisations within an integrated care system, for example from health and social care providers and/or local authorities.
- to directly fund our regulatory oversight of integrated care systems by absorbing costs from our current fees scheme

## Question 4: Are there any other regulatory impacts we should consider?

In question 4 we asked respondents whether there are any other regulatory impacts we should consider. We received 23 responses in total to question 4 (11 responses on behalf of an organisation and 12 responses from individuals).

Of the responses to question 4:

- respondents noted the level of regulatory fees would directly impact on integrated care board finances. For example, integrated care boards already need to reduce the level of future running cost allowances along with already paying other fees to organisations.
- a respondent listed the areas of regulatory impact we considered in our consultation. For example, we consider the regulatory impact on integrated care boards, health and social care providers, local authorities, the public, innovation, and sustainable economic growth.
- some respondents just stated 'no' (3 responses) or 'yes' (2 responses) without any further context.

Respondents also took the opportunity to highlight the importance of clarity of roles and responsibilities of organisations across government and across the health and care sector (including the role of CQC and integrated care boards). Respondents consider there could be potential duplication with other regulators and processes such as local authority peer reviews.

## Question 5: Are there any other equality impacts we should consider?

In question 5 we asked respondents whether there are any other equality impacts we should consider. We received 20 responses in total to question 5 (10 responses on behalf of an organisation and 10 responses from individuals).

Of the responses to question 5:

- respondents highlighted the impact the level of regulatory fees would have on patients and equality of care. Respondents note a regulatory fee would result in reprioritisation of organisational activities which would directly impact patients.
- some respondents just stated 'no' (6 responses) or 'yes' (1 response) without any further context.

Respondents also took the opportunity to highlight the importance of clarity of roles and responsibilities of organisations in tackling health inequalities (2 responses), including the role of CQC and other organisations within an integrated care system. A respondent also noted a specific healthcare expectation for people with a protected characteristic in receiving healthcare.