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## Dear colleague

## Care Quality Commission (CQC) fees for registered providers 2019/20

I am writing to let you know that the changes to CQC fees have now been confirmed and are outlined on the <u>fees consultation page</u> of our website. This page also contains our response to the consultation and supporting information and guidance. This follows the public consultation between 25 October 2018 and 17 January 2019 on our proposals for the fees that we will charge providers of health and adult social care in England from 1 April 2019.

I would like to thank everyone who took part in the consultation for your valuable contributions, which were all taken into consideration.

The fees paid by providers enable us to fulfil our purpose of making sure health and social care services provide people with safe, effective, compassionate, high-quality care, and we encourage services to improve.

We will continue to make savings wherever possible. In 2015/16, we spent £223 million on our regulatory activities and have continued to drive down our costs so that our planned expenditure for 2019/20 is £208.3 million. We will continue to look carefully at our operating costs, and make careful investment so that we can offer the most efficient service for providers and continue to assure the public.

Following consideration of the consultation responses, we have made a number of decisions on our fees scheme for 2019/20. The decisions can be broken down into two themes. First, to complete our trajectory to full cost recovery for all sectors, as required by HM Treasury. By this we mean that our regulatory costs are paid for by provider fees, and no longer subsidised by grant-in-aid funding from the government. Second, to address fees for certain sectors where we needed to balance fees recovered with the cost of regulating those sectors.

The results of these decisions can be summarised as follows:

- We will increase fees for the community social care sector by £1.5 million as part of the final year of a four-year trajectory to full chargeable cost recovery.
- We will increase fees for the dental sector by £0.6 million to better align the cost of regulation with the fees collected.
- We will decrease fees for the residential social care sector by £0.8 million to better align the cost of regulation with the fees collected.

Examples of the fee changes that community social care, dental and residential social care providers can expect include:

- Community social care locations with 1 to 10 people using the service (representing 25% of the sector) will see their fee increase by no more than £86, with a fee ranging from £293 to £782.
- Dental providers with one location with 1 to 4 dental chairs (representing 78% of the sector) will see their fee increase by no more than £109, with a fee ranging from £598 to £946.
- Residential social care locations with 1 to 15 residents (representing 38% of the sector) will see their fee reduce by up to £40, with a fee ranging from £313 to £1,634.

Most NHS trusts and NHS GPs, whose overall size is similar to last year, will see a small change to their fees from April 2019 because of the changes we made to their fees structure last year. This is because each provider's fee is calculated by looking at their size against the total size of the sector, both of which change year-on-year. However, this will not alter the total fees collected overall for these sectors.

Community social care providers will also be affected by the structural changes made last year, as well as the overall increase mentioned above. It is worth noting that 89% of community social care providers have seen reduced fees both in 2018/19 and in 2019/20 compared to the 2017/18 fee scheme following these structural changes.

For all other sectors, the fee scheme remains unchanged, which means a provider's fee will remain the same as that for 2018/19, providing their registration remains unchanged.

Our fees represent around 0.16% of overall indicative turnover of the health and social care market.

You can use the fees calculator published on our <u>website</u> to help work out the annual fee for your service for 2019/20. You can also find guidance on how and when to pay your fees, including information on paying by instalment.

We would like to thank you for your continued support and involvement in working with us.

Yours sincerely,

Ian Trenholm
Chief Executive

Care Quality Commission

In Talk