

- E63. Accredited voluntary registration should lead to improved standards of education, proficiency and conduct, improved dissemination of good practice, robust processes to improve public safety, and will improve the ability of employers and people who use services to distinguish between workers who have met nationally accredited standards and those who have not.
- E64. The Appointments Commission (AC) currently makes appointments on behalf of the Privy Council to the healthcare professions regulatory bodies. The costs of the appointment process are fully met by the regulatory bodies. The Department proposes that Privy Council will ask each of the regulatory bodies to manage their own recruitment process, in line with good practice guidance provided by the Privy Council. The regulators would be free to arrange with a third party to manage this process. The CHRE would establish a committee to advise on good practice in appointments made to the regulatory bodies, and would provide assurance that good practice in the appointments process has been followed. Privy Council would then make the appointment.
- E65. The Department does not expect that the cost of the appointments process will change significantly under these proposals. The regulatory bodies will continue to meet the costs of the appointments process, either by making arrangements with a third party, or managing the appointments process themselves.

General Social Care Council (GSCC)

- E66. The ALB Review report announced the intention to transfer the role of the regulation of social workers in England to the Health Professions Council (HPC) and abolish the GSCC. This will move the regulation of social workers out of the ALB sector to make it operationally and financially independent of government. Our proposed reforms are intended to ensure that social workers are regulated in an effective and sustainable way that maintains confidence in the profession and credibility with the public, service users and employers. The HPC will also take on the GSCC's function in relation to the approval of courses for people who are, or wish to become, approved mental health professionals in England for the purposes of the Mental Health Act 1983.
- E67. The HPC is an experienced regulator with a proven track record of providing effective, safe and value for money regulation for 15 professions. In its Performance Review Report 2009/10⁹⁷ the CHRE described the HPC as a 'well-organised, efficient and cost-effective regulator' which maintained a good performance as it assumed responsibility for further professions. The Government is confident that the HPC is well placed to take on the regulation of social workers and that this option will be best in the long-term for the public, social workers and their employers by delivering independent and sustainable regulation.
- E68. It is estimated that the HPC will need approximately £0.3m in 2011/12 to prepare their systems and processes. It is expected that the HPC will be able to take on this function with some staff transferring over from the GSCC on protected terms of employment. However, it is possible that the HPC will require fewer staff to undertake its functions than the GSCC does as it will apply different approaches and support functions would not be duplicated. Through this, the public sector may incur redundancy payouts of up to £4.6m (which reflects the worst case scenario) depending on how GSCC and HPC handle the transfer of staff. DH intends to cover the existing GSCC pension liability deficit of £6.9m⁹⁸.

⁹⁷ Performance Review Report 2009/10. Enhancing public protection through improved regulation. Council for Healthcare Regulatory Excellence, July 2010

⁹⁸ As of 31st March 2010 – GSCC Annual Report and Accounts 2009/10

- E69. The 83,464⁹⁹ social workers currently on the GSCC register pay £30 per year as registration fees. This is likely to increase in 2011/12 and DH estimates that fees will be around £76 when the regulation function is transferred to the HPC in 2012/13 and the grant in aid is removed. By this estimate, the total cost to social workers of the transfer would be £3.8m. A high proportion of social workers are employed in the public sector¹⁰⁰ and it will be the choice of public sector employers to decide whether to reflect the increase in registration costs to individuals in the terms and conditions of employees. For the purposes of this assessment, DH has assumed that the increased fee will be represented as a reduction in take-home pay by social workers of £46 rather than an increase in overall pay by £46, hence there will be minimal impacts on public sector finances.
- E70. The GSCC also delivers education support grants. This function will not be transferred to the HPC but will instead be transferred to a more appropriate body – final decisions on this have yet to be taken and hence it would not be appropriate to include in this impact assessment.
- E71. Indirect costs are also anticipated, in particular a dip in productivity while the changes are implemented. Monetising this is not straightforward but using the assumptions in Annex 5, this will have a cost estimate of £0.2m each year during the transition phase. A possible loss of stakeholder confidence pending the transfer and a drop in workforce morale can be expected, though these are not quantifiable.
- E72. Once the HPC takes over the regulation function, the regulation of social workers will be fully funded by their fees to the HPC. This means that the grant in aid that the Department currently makes available to the GSCC, estimated at between £21m and £25m for 2011/12, can be redeployed to front-line services, yielding additional benefits.
- E73. While this impact assessment focuses on two options – do nothing and the Government’s proposed course of action – during the ALB Review the Government assessed the possibility of the GSCC moving to a self-financing model, whereby the GSCC would remain as an independent body, but fully funded by fees from its registrants and with no Government subsidy. If the entire costs of the grant in aid currently made available to the GSCC were distributed amongst the 100,882 social workers and student social workers on the GSCC’s register equally¹⁰¹, then fees would have had to rise by a cost in the region of between £210 and £250 on top of the fees currently paid. If student social workers continued to pay a lower rate than social workers then the rise in costs to social workers would have been higher still. The Government therefore took the decision that this option would impose too high a burden on social workers. It was therefore discounted as being a viable option and is not explored further in this impact assessment.
- E74. Economic theory suggests that if a barrier to entry (e.g. registration fees) is raised then supply into the market (in this instance, for social workers) will fall. However, the Department believes that the effect of fees on the supply of social workers is unlikely to materialise. This is because the salary of social workers in England is not significantly different from other professions currently registered under the HPC. The bulk of professions under the HPC (for instance chiropractors, dietitians and physiotherapists) have salaries within Bands 5-7 of the NHS Agenda for Change Pay Bands¹⁰², between £21,000 and £40,000. This compares favourably with social workers, who have a median weekly wage of £555, or £29,000 per year¹⁰³. Hence the Department does not believe that an annual fee of £76 for social workers (an increase of £46 a year on current fees or less than £1 per week) will place a sufficiently high burden (in addition to the possibility that the GSCC may review their fee structure before their abolition).

⁹⁹ As at 31 March 2010 – GSCC Annual Report and Accounts 2009/10

¹⁰⁰ State of the adult social care workforce in England 2010. Skills for care. 2010

¹⁰¹ As at 31 March 2010 – GSCC Annual Report and Accounts

¹⁰² Source: <http://www.nhscareers.nhs.uk/details/Default.aspx?id=766>

¹⁰³ State of the adult social care workforce in England, 2010. Skills for care 2010.

- E75. The Bill will include a power to enable the HPC to hold a voluntary register of social work students, as the GSCC currently does. Registration fees for the 17,418¹⁰⁴ registered social work students are currently set at £10 per year. However, final decisions about whether the HPC will register student social workers on a voluntary register, or deliver the responsibility of overseeing student social workers through other approaches, have yet to be taken.
- E76. Making social worker regulation in England independent of government and placing it with a proven successful and efficient regulator is in keeping with the Hampton Principles¹⁰⁵ and should lead to better regulation and improved public safety. Additionally oversight of social worker regulation by CHRE will lead to greater external scrutiny over the regulation of social workers and this should ultimately improve the safety and quality of social workers.

Public Welfare

Alcohol Education and Research Council (AERC)

- E77. The Review report proposed to abolish the AERC as an ALB and remove from the sector, as our current ALB sector governance arrangements are disproportionate to the size and scale of the organisation, and it does not satisfy the criteria to remain as an ALB. The existing Council intends to establish a separate charitable body to which all staff and the full Alcohol Education and Research Fund will be transferred to.
- E78. Provisions in the Health and Social Care Bill will enable the repeal of the 1981 Act, which created the AERC and remove references to AERC in other primary legislation.
- E79. The AERC receives no government funding and therefore the costs associated with this change will be minimal. However, the new charitable body intends to use the Fund to develop a more ambitious research programme to inform some of the key questions on alcohol policy. This will indirectly benefit patients and providers through the provision of better information on alcohol and its effect on health.

Information

Health and Social Care Information Centre (IC)

- E80. The review recommended the centralisation of data returns in the IC, leading to streamlining data collection functions across the healthcare sector in an attempt to remove inefficiencies and duplication in the system around data collection and dissemination. The review also recognised the Government's intention to establish the IC in primary legislation, in line with proposals to establish more autonomous NHS institutions under the reforms of the NHS. Accordingly, the status of the IC is to change from a Special Health Authority (SpHA) which is directed by Secretary of State, to an Executive Non-Departmental Public Body (ENDPB) with some autonomous powers. This change in status will not attract any transitional costs as it does not require any transfer of staff or change in building location.
- E81. The IC will therefore become the national repository for data across health care, public health and adult social care, with lead responsibility for data collection and assuring the quality of the data it publishes. It will make aggregate data available in a standard format for use by third parties, meeting the needs of a multiplicity of customers including the new Public Health England (PHE), the NHS, local authorities, social care, regulators, researchers, the Office for National Statistics (ONS), the public and Parliament. This will allow information intermediaries to analyse and present the data to patients in an easily understandable way.

¹⁰⁴ As at 31 March 2010 – GSCC Annual Report and Accounts 2009/10

¹⁰⁵ Source: <http://www.bis.gov.uk/files/file22988.pdf>