

Stage 6 notification – Q&A

Q1. How many people are affected in total?

- 9,300 people in total in England only. (13,000 total across the UK)
- 7,800 people whose care is commissioned by a local authority
- 1,200 people who pay for their own care
- 300 people whose care is commissioned by a CCG.
- Around 8,000 Allied employees

Q2. Is this the first ever time you have made such a notification?

It's the first time that we've issued a Stage 6 notification at a corporate level.

Q3. Why are you doing this now?

Allied Healthcare have confirmed that they have funding until 30 November. They have been unable to provide adequate assurance regarding funding beyond this date. Our notification on 5 November gives local authorities 4 weeks to plan how they will maintain continuity of care if services are disrupted after 30 November.

Q4. But aren't CQC precipitating business failure through this action?

We have a legal responsibility to notify local authorities that there is a credible risk of service disruption to care so they can plan for this possibility. We have now reached the stage where Allied have been unable to provide adequate assurance that they have funding beyond 30 November. Given this, we are required to notify local authorities that service disruption is now likely. This is a dynamic situation which may change and if Allied are able to provide credible evidence that they have addressed the medium-term viability of their business, we will revise our position accordingly.

Q5. But won't Allied's staff just leave immediately?

We expect Allied Healthcare to put appropriate arrangements in place to retain their staff and we are aware that is their intention. Local authorities will now be liaising with their local branches to ensure they are aware of the current situation and able to respond if the staff do leave.

Q6. Should people be worried?

People should be aware that local authorities have a responsibility to ensure continuity of care can be maintained in the event of service failure and that they are now planning for this possibility. The purpose of this notification is to make sure local authorities have enough time to do this properly.

Q7. How confident are you that all 84 local authorities will be able to guarantee people's continuity of care?

Although Allied's services cover a wide geographical spread of local authorities, our understanding is no single local authority contracts more than 10% of their home care services to Allied, and the majority contract significantly less. This should mean that, given the four-week planning period, it should be possible for local authorities to arrange alternative provision if that proves necessary.

Q8. Do you accept this decision will cause some people's care to be put in jeopardy?

No, we are not saying that this provider is going to stop providing services overnight. Our market oversight function has a legal obligation to inform local authorities if business failure is likely and that regulated care services are likely to stop as a result so that they can start planning for that likelihood now. The company has confirmed it has enough funding until the end of November. It may be possible that the company is able to resolve the situation. If that happens, we shall revise our position at that point.

Q9. You're alerting local authorities – how will people who pay for their own care be notified about this?

It is the responsibility of the local authority in which people live and receive care – whether they pay for this themselves or the LA pays for them – to ensure continuity of care. This is something that should be factored into LA's contingency plans.

Q10. How is this situation different to Four Season? Will they be next?

We cannot comment on the situation of other providers within the Market Oversight scheme. However, we can say that Allied is the only provider within the scheme about which we have this level of concern, which is why we have taken this action.

Q11. What happens next?

Local authorities will be establishing their contingency plans and working with Allied Healthcare's local branches to do this. Allied has a responsibility to provide details of the people they are currently supporting and staffing to help with this. Allied will continue to work to address issues around short medium and long-term viability and CQC will continue to monitor financial and service performance.