

Elderly home care at risk as watchdog warns over Allied Healthcare

Greg Hurst, Social Affairs Editor

November 6 2018, 5:00pm, The Times



About 13,000 elderly and disabled people across the UK receive help at home provided by Allied Healthcare GETTY IMAGES

Specialist support provided to thousands of elderly and disabled people is at risk of being disrupted after a warning that the country's biggest domestic care provider is struggling to survive.

The Care Quality Commission (CQC) wrote to local authorities yesterday to notify them that Allied Healthcare, which provides care at home to 13,000 people across the United Kingdom, had been unable to confirm evidence of funding beyond the end of this month.

The notification in effect gives notice to councils that they should make contingency plans with other providers to ensure that elderly people continue to receive care such as help with dressing, washing, using the lavatory, shaving, taking medication and cooking.

The warning applies only to England, where the company provides care at home to 9,300 people in 84 local authorities, but clearly has implications for its 3,700 clients in Scotland and Wales.

Allied Healthcare, which employs around 8,700 carers and other staff, described the move as "premature and unwarranted" and accused the regulator of ignoring assurances that it was making arrangements to ensure funding.

A source close to the company, which is owned by Aurelius, a German private equity firm, said that a line of credit to provide funding was due to expire on November 30 but that the provider had agreed to extend this into next year when an alternative backer had provisionally agreed to provide working capital.

It is the first time that the CQC has used its power to issue such a notification about a large care provider and could be a test case for how the sector deals with disruption to the business of a major supplier of care. The company insisted that there was no risk to its continuity of care.

Several companies providing domiciliary and residential care have been struggling financially after many local authorities reacted to a squeeze on budgets by cutting the fees that they pay for care and raising the thresholds that elderly people must meet to qualify for care funding.

Local authority officials who are responsible for arranging domiciliary care issued a business-as-usual statement while saying that they and local health officials had been preparing for this type of scenario and had contingency plans in place.

Glen Garrod, president of the Association of Directors of Adult Social Services, said: “This notification relates to likely, not definite, business failure. Care staff are essential to service continuity and we would urge them to wait for further information, and to carry on with their vital work.”

George McNamara, director of policy at Independent Age, an older people’s charity, said: “This is a deeply worrying time for the thousands of older people and their families up and down the country who rely on Allied Healthcare as a vital lifeline of care and support. “

Simon Bottery, a senior fellow at the King’s Fund, a health think tank, said: “Allied Healthcare are not the only major care provider experiencing financial problems. Their difficulties are yet another wake-up call to the huge problems in social care.”

Andrea Sutcliffe, the CQC’s chief inspector of adult social care, said: “We have encouraged Allied Healthcare to provide us with a realistic financially backed plan to support the future sustainability of the business and given them every opportunity to do so, but they have failed to provide adequate assurance regarding future funding.”

A spokesman for Allied Healthcare said: “We have demonstrated throughout our discussions with the regulator that Allied Healthcare’s operations are sustainable and safe, that we have secured a potential replacement of our credit facility, that there is no risk to continuity of care and that we have a long-term business plan in place that will continue to deliver quality care across the UK.”