

CARE ACT 2014

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 1 – Care and Support

Market oversight

Section 56 – Informing local authorities where failure of care provider likely

349. This section sets out that the CQC must inform the relevant local authorities that a registered care provider (within the market oversight regime) is likely to become unable to continue carrying on the regulated activity in respect of which it is registered because of business failure.
350. The CQC will be required to inform all English local authorities which it thinks will be required to carry out the duty under section 48(2) if the provider becomes unable to continue carrying on the regulated activity in question (*subsection (2)*). The CQC is not required to inform local authorities outside of England.
351. *Subsection (3)* sets out that the CQC may require from the service provider, and any other person involved in the provider's business, any information that is necessary in order to assist local authorities in ensuring continuity of care. *Subsection (4)* requires the CQC to share with local authorities any information it has that would assist them in ensuring continuity of care.
352. *Subsection (5)* allows for regulations to make provision as to the circumstances in which the CQC can be satisfied that a registered care provider is likely to become unable to carry on a regulated activity.
353. *Subsection (6)* sets out that the CQC may consult on how it will assess a provider's likelihood of becoming unable to continue carrying on the regulated activity, and publish guidance on how it will make this assessment.