



Provider, Governance & Quality Solutions Ltd

TRADING AS PGQ SOLUTIONS

Buying a Care Home

The PGQ Solutions Due Diligence Guide

CARE HOME ACQUISITION DUE DILIGENCE GUIDANCE

How to test quality, safety, governance and sustainability before acquisition

Prepared for publication with Chandler & Co

Edition 1.1 | October 2026 | Regulatory baseline: England (July 2026)



PGQ SOLUTIONS PROFESSIONAL STANDARDS™ | PGQ-INS-ACQ-001

BUYING A CARE HOME

The PGQ Solutions Due Diligence Guide

How to test the quality, safety, governance and sustainability of a care business before acquisition

EVIDENCE → CHALLENGE → GOVERNANCE → BETTER OUTCOMES

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“Care home acquisition is not solely a property or financial transaction. The buyer acquires a regulated service, its culture, workforce, care history and the risks that sit beneath the headline accounts.”

Published by Provider, Governance & Quality Solutions Ltd (trading as PGQ Solutions).

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IMPORTANT LIMITATION

This guide supports commercial and operational decision-making but does not replace legal, financial, tax, property, valuation, employment or regulatory advice. A buyer should appoint appropriately qualified advisers and ensure that conclusions are based on verified evidence specific to the transaction.

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1. EXECUTIVE INSIGHT

The transaction behind the transaction

A care home may appear attractive because of its location, freehold value, occupancy, fees or EBITDA. Those measures matter, but they do not tell the buyer whether the service is safe, well governed, culturally resilient or capable of sustaining performance after ownership changes.

The deepest acquisition risks often sit below the headline information: weak care planning, historical enforcement, unclosed safeguarding actions, unsupported dependency assumptions, agency reliance, fragile leadership, unrecorded capital expenditure, poor fire safety, underpriced placements, unresolved complaints or governance systems that depend on one individual.

THE PGQ SOLUTIONS ACQUISITION TEST

A credible acquisition decision must answer three separate questions: Is the asset commercially attractive? Is the regulated service safe and sustainable? Can the buyer govern it effectively from Day One?

The buyer should be able to explain

- what is being acquired and which liabilities remain with the operating entity;
- how the regulatory registration will transfer or be replaced;
- whether the current rating is supported by present evidence rather than historic reputation;
- whether care, staffing and leadership systems are resilient enough to withstand transition;
- what immediate capital, workforce and governance investment will be required;
- which risks are accepted, which require price adjustment and which should stop the transaction.

Due diligence is an assurance process

The purpose of specialist due diligence is not to produce a longer list of documents. It is to convert evidence into a defensible view of risk, sustainability and post-acquisition priorities. PGQ Solutions therefore tests what the seller says against what records, people, observations, outcomes and governance evidence demonstrate.

2. WHY SPECIALIST CARE DUE DILIGENCE MATTERS

A care home is a regulated ecosystem

The buyer acquires far more than beds and a building. The transaction may carry forward the consequences of previous decisions, local authority relationships, staff practices, resident contracts, clinical risks and cultural behaviours. A profitable service can still have material regulatory exposure. Equally, a service with an older Requires Improvement rating may have made genuine, sustainable progress that is not yet reflected in a published rating.

The six hidden acquisition gaps

Gap	What can be missed	Why it matters
Rating gap	A published rating is treated as the current truth.	The rating may be old, may not reflect deterioration, and may continue to display after a change of ownership.
Evidence gap	Policies and audits are accepted without testing practice.	Documents can create false assurance where records, interviews and outcomes conflict.
Leadership gap	The Registered Manager is assumed to remain.	Departure, burnout or weak provider support can destabilise the service immediately.
Cost gap	EBITDA is reviewed without care-quality liabilities.	Agency, compliance, refurbishment, fire and clinical improvement costs may materially reduce value.
Registration gap	Completion and CQC registration are treated as separate.	A failed or delayed application can prevent lawful operation by the buyer.
Culture gap	Staff retention and behaviours are not independently tested.	Closed culture, fear, poor escalation or management dependency may survive the transaction.

INDEPENDENT CHALLENGE

A buyer should not confuse the presence of evidence with the reliability of evidence. Due diligence must identify what the evidence proves, what it does not prove and what contradicts it.

3. THE ACQUISITION JOURNEY AND DECISION GATES

A staged approach protects time and capital

Stage	Purpose	Minimum output
1. Strategic screen	Confirm geography, service model, tenure, size and investment criteria.	Go / no-go gateway.
2. Desktop triage	Review CQC, Companies House, public data, marketing material and initial financials.	Initial risk hypothesis and information request.
3. Confidential review	Test regulatory, operational, workforce, property and commercial evidence.	Red-flag register and preliminary value impact.
4. Site assurance	Observe care, environment, leadership, staffing and culture.	Independent assurance opinion and evidence confidence.
5. Specialist verification	Legal, financial, tax, property, fire, HR and clinical specialists verify material risks.	Conditions, warranties, indemnities and price adjustments.
6. Decision gate	Integrate all workstreams.	Proceed, proceed with protections, pause or withdraw.
7. Completion readiness	Confirm registration, leadership, systems, communications and contingency plans.	Day One assurance plan.
8. Post-completion	Validate seller information and embed governance.	0-7 / 30 / 60 / 90-day improvement programme.

The four decision outcomes

Outcome	Meaning
Proceed	Evidence supports the investment case and residual risks are proportionate.
Proceed with protections	Transaction is viable subject to price adjustment, retention, indemnity, warranty, condition precedent or funded improvement plan.
Pause	Material evidence is incomplete, inconsistent or awaiting regulatory / technical resolution.
Withdraw	Risk is outside appetite, evidence is unreliable or the improvement burden undermines the investment case.

4. DEAL STRUCTURE AND REGULATORY TRANSFER

Share purchase and asset purchase create different risk profiles

Issue	Share purchase	Asset / business purchase
Legal entity	The registered company usually remains the same.	The buyer may operate through a different legal entity.
Historic liabilities	Generally remain within the acquired company.	Liabilities may be allocated contractually, but not every operational consequence disappears.
CQC registration	A change of directors/control may require notifications and fitness considerations; legal advice is essential.	Buyer and seller registration applications are normally linked and assessed together for the sale/transfer.
Employees	Employer may remain the same, although transaction arrangements require advice.	TUPE may apply where the identity of the employer changes.
Contracts and consents	May remain, subject to change-of-control provisions.	May require assignment, novation or new agreements.

CQC states that, for a sale and transfer of a registered business, both providers should make their applications around the same time. CQC links and assesses the applications together and completes registration after formal confirmation from both providers' legal representatives that the transfer is complete. Transaction timetables must therefore integrate regulatory and legal completion planning.

Regulatory transfer questions

- Which legal entity will carry on each regulated activity after completion?
- Will each location remain the same for registration purposes?
- Who will be the Nominated Individual and Registered Manager?
- Are applications complete, consistent and supported by credible governance evidence?
- Will the previous rating and regulatory history continue to be displayed?
- Are any conditions, notices, prosecutions, fixed penalties or registration restrictions relevant?
- What contingency applies if registration is delayed or refused?

DO NOT ASSUME A CLEAN REGULATORY SLATE

CQC may continue a location's regulatory history following re-registration after a change of ownership or address. Buyers must understand what will remain publicly visible and how historic findings will be interpreted after completion.

5. THE PGQ SOLUTIONS DUE DILIGENCE DOMAINS

The full acquisition picture

Domain	Core question	Examples of evidence
Regulatory	Can the service lawfully operate and is its history understood?	CQC reports, notices, registration, notifications, PIR / provider submissions.
People and care	Are needs assessed and care delivered safely and personally?	Care plans, risk assessments, daily records, outcomes, feedback.
Clinical	Are clinical risks recognised, escalated and reviewed?	Medicines, falls, nutrition, skin, infection, deterioration, clinical audits.
Safeguarding	Are concerns identified, reported, investigated and learned from?	Safeguarding log, incidents, referrals, investigations, local authority outcomes.
Workforce	Is staffing safe, competent, stable and affordable?	Rosters, dependency, agency, training, supervision, turnover, sponsorship.
Leadership and culture	Can the service sustain quality through change?	Interviews, governance, speaking-up, turnover, visibility, staff feedback.
Governance	Does oversight identify risk and prove improvement?	Regulation 17 systems, audits, risk registers, action plans, provider visits.
Property and safety	Is the building safe, compliant and fit for the service model?	Fire, asbestos, legionella, equipment, maintenance, room schedule, capex.
Commercial	Are occupancy, fees and EBITDA sustainable?	Resident contracts, fee mix, local authority rates, voids, bad debt, referral pipeline.
Digital and information	Are systems secure, complete, transferable and usable?	Care systems, eMAR, backups, licences, access, DPIAs, cyber controls.
Consumer and contractual	Are residents treated fairly and contracts enforceable?	Terms, fee notices, deposits, top-ups, death charges, complaints.
Transition	Can the buyer take control without destabilising care?	Day One plan, communications, retention, systems, registration, emergency cover.

6. REGULATORY HISTORY AND CQC MAPPING

Start with the published record, but do not end there

Review every CQC report, rating, enforcement notice, registration condition and provider response. Then test whether the present service remains consistent with the published position. CQC's fundamental standards remain the minimum standards below which care must never fall, including person-centred care, safety, safeguarding, staffing, fit premises and good governance.

Regulatory evidence schedule

Evidence	What to test	Red flags
CQC reports and ratings	Age, scope, domains, quality statements / framework questions, repeated themes.	Old rating relied upon as current; repeat breaches; unresolved concerns.
Warning notices and enforcement	Actions, deadlines, evidence of compliance and sustainability.	Action closed on paper only; no re-audit; leadership unable to explain learning.
Registration	Activities, locations, conditions, NI and RM status.	Mismatch with actual service; absent RM; conditions not understood.
Notifications	Completeness and timeliness of statutory notifications.	Incidents visible internally but not notified; inconsistent logs.
Regulatory correspondence	Requests, concerns, factual accuracy challenges and responses.	Adversarial or incomplete engagement; unimplemented commitments.
Local authority / ICB oversight	Embargoes, contract monitoring, safeguarding, quality meetings.	Suspended placements; unresolved improvement plan; fragile commissioner relationship.

CQC framework transition

At the publication date, CQC continues to regulate using the current framework while developing revised sector-specific assessment frameworks. Its 2026 consultation on four draft sector-specific frameworks closed on 12 June 2026. Acquisition due diligence should therefore map evidence to the current regulatory requirements while retaining sufficient flexibility to remap findings as the assessment methodology changes.

7. PEOPLE, CARE AND CLINICAL QUALITY

Test the lived service, not the policy set

A document room can demonstrate that policies and templates exist. It cannot, by itself, demonstrate that people receive safe, personalised care. Sampling must be risk-led and should include people with complex needs, recent admissions, deteriorating health, incidents, weight loss, falls, safeguarding, hospital attendance and end-of-life care.

Minimum care-record sample

Area	Evidence expected	Challenge question
Assessment	Pre-admission assessment, dependency, funding, compatibility and risk.	Did the service understand the person before admission and can it meet the need?
Person-centred planning	Life history, preferences, communication, routines, equality and desired outcomes.	Could a new staff member safely support this person from the record?
Clinical risk	Falls, skin, nutrition, choking, diabetes, epilepsy, deterioration, pain and infection.	Are risks connected to clear actions, escalation and review?
Consent and capacity	Consent, capacity decisions, best interests, restrictions and DoLS.	Is the legal basis for decisions and restrictions clear?
Daily evidence	Care notes, charts, observations, handovers and escalation.	Do records demonstrate the plan was delivered and changes were acted upon?
Outcomes	Goals, wellbeing, independence, activity, relationships and health outcomes.	What difference has the care made to the person?

Triangulation expectations

- compare the written care plan with staff explanations and direct observation;
- compare dependency assessments with actual rosters and call-bell / incident patterns;
- compare nutrition audits with weight trends, referrals, menus and mealtime observation;
- compare activity plans with individual engagement records and people's feedback;
- compare stated clinical oversight with GP, pharmacy, community nursing and hospital evidence.

8. SAFEGUARDING, INCIDENTS AND MEDICINES

High-risk evidence requires deeper testing

Theme	Due diligence tests	Potential acquisition impact
Safeguarding	Volume, themes, timeliness, referrals, outcomes, repeat people / staff, closed-culture indicators.	Enforcement risk, reputational harm, workforce action, commissioner restrictions.
Incidents	Completeness, severity, investigation quality, duty of candour, learning and recurrence.	Hidden liability, weak governance, insurance and claims exposure.
Medicines	MAR/eMAR, omissions, PRN, controlled drugs, fridge, stock, competencies, pharmacy actions.	Immediate safety risk, breach exposure, intensive remediation.
Falls	Risk assessment, post-fall review, injury, medication, environment and trends.	Hospitalisation, claims, staffing and equipment cost.
Nutrition / choking	MUST, weights, IDDSI, referrals, care plans, kitchen knowledge and staff competency.	Serious harm risk, clinical oversight gaps, training and menu changes.
Skin integrity	Waterlow, repositioning, equipment, wound records, tissue viability input.	Clinical harm, safeguarding, equipment and staffing investment.

PATTERN RECOGNITION

One incident may be isolated. Repeated events, delayed escalation, inconsistent investigation or recurring staff names may indicate a system or culture problem. The buyer must test trends, not just totals.

9. WORKFORCE, LEADERSHIP AND CULTURE

The workforce is both an asset and a liability

Workforce due diligence must establish whether staffing is safe, affordable and transferable. It must also test whether the service depends on particular people, undocumented goodwill or unsustainable overtime. National workforce data continues to show significant recruitment and retention pressure across adult social care, making leadership continuity and retention planning central to transaction risk.

Workforce evidence

Area	Evidence to obtain	Questions to resolve
Establishment	Funded hours, rostered hours, dependency model, vacancies and occupancy assumptions.	Does the establishment reflect actual needs and safe deployment?
Agency and overtime	Hours, spend, providers, restrictions and trends.	Is EBITDA supported by unsafe understaffing or unsustainable overtime?
Turnover and absence	Role-level turnover, sickness, exit themes, grievances and retention.	Are departures linked to culture, pay, leadership or workload?
Training and competency	Matrix, expiry, role requirements, observations and competency sign-off.	Does completion data translate into competent practice?
Recruitment	DBS, references, right to work, gaps, sponsorship and agency checks.	Are files compliant and are immigration / sponsorship risks understood?
Supervision and appraisal	Frequency, quality, actions and staff experience.	Is supervision developmental or merely signed?
Leadership	RM status, tenure, capacity, deputies, regional oversight and succession.	Can the service remain stable if one key leader leaves?
TUPE / employee liabilities	Employee liability information, terms, disputes, collective arrangements and consultation.	What transfers, what is unresolved and what changes are legally possible?

Where a business transfer changes the identity of the employer, TUPE may protect employees' rights. Government guidance also requires the outgoing employer to provide specified employee information and consultation may be required for measures affecting transferring staff. Transaction-specific employment advice is essential.

Culture cannot be read from a policy

- speak privately with staff across shifts, roles and length of service;
- review whistleblowing, grievances, disciplinary cases, suspensions and staff investigations;
- observe whether staff know people and whether leaders are visible;
- test whether staff can raise concerns without fear and describe learning from incidents;
- look for closed-culture indicators, including restricted access, unexplained turnover, rigid routines and defensive leadership.

10. GOVERNANCE AND PROVIDER ASSURANCE

Regulation 17 is an acquisition issue

CQC's Regulation 17 guidance requires effective governance, including systems that assess, monitor and improve quality and safety, mitigate risk and maintain accurate records. Due diligence should therefore test whether governance provides justified confidence or merely produces completed audits.

The PGQ Solutions governance test

Question	Evidence of assurance	Evidence of false assurance
Did leaders know?	Risk appears in audits, dashboards, minutes and escalation.	Issue was known informally but absent from governance.
Did they act?	Named action, owner, deadline, resources and risk control.	Generic action such as “staff reminded”.
Did they verify?	Re-audit, observation, record sample and outcome review.	Action marked complete without testing.
Did it work?	Trend and people’s outcomes demonstrate improvement.	No baseline, measure or sustained evidence.
Did they learn?	Learning shared across teams / services and policy or training improved.	Same issue repeats in multiple audits or locations.

Provider and board evidence

- provider / regional visits that challenge quality rather than repeat manager reporting;
- live risk register with control effectiveness and escalation thresholds;
- quality and safety dashboards with narrative interpretation;
- minutes that evidence challenge, decisions and follow-through;
- clear delegated accountability from board / provider to NI, RM and department leads;
- evidence that resources are allocated in response to identified risk.

11. PROPERTY, ESTATES AND ENVIRONMENTAL SAFETY

The building can change the investment case

Property due diligence should be undertaken by qualified property, fire and technical advisers. PGQ Solutions’ role is to connect the physical asset to care delivery, regulatory risk and operational cost.

Area	Evidence and inspection	Why it matters
Fire safety	Current fire risk assessment, action plan, doors, alarms, emergency lighting, drills, PEEPs, compartmentation and evacuation strategy.	A care home must protect people who may not self-evacuate; defects can require immediate capital and operational controls.
Water safety	Legionella risk assessment, written scheme, temperatures, flushing, sampling, outlets and responsible person.	HSE guidance emphasises temperature control, competent monitoring and regular management of infrequently used outlets.
Asbestos	Register, management plan, surveys and contractor controls.	Unidentified or unmanaged asbestos affects safety and refurbishment cost.
Lifts and equipment	LOLER, PUWER, hoists, slings, beds, rails, nurse call and servicing.	Failure may affect immediate safety and room availability.
Electrical / gas	EICR, PAT approach, gas safety, boilers, generators and maintenance.	Backlog may create safety, resilience and capital risk.
Bedrooms and bathrooms	Room schedule, en-suites, accessibility, call systems, restrictors, radiators and infection risks.	Usable bed count may differ from registered or marketed capacity.

Area	Evidence and inspection	Why it matters
Kitchen and food	Food hygiene rating, equipment, extraction, allergens, IDDSI and refurbishment.	Quality, safety, compliance and capital requirements.
Planning and title	Planning use, restrictions, easements, boundaries and expansion assumptions.	The investment case may rely on beds or development that cannot lawfully be delivered.

USABLE CAPACITY

Do not value the service solely on registered beds. Confirm how many bedrooms are operational, compliant, marketable and suitable for the intended care model after required works.

12. COMMERCIAL, OCCUPANCY AND COMMISSIONING

Revenue quality matters as much as revenue quantity

Metric	Due diligence test	Risk
Occupancy	24-36 month trend, admissions, deaths, hospital stays, void reasons and closed rooms.	Headline occupancy may hide temporary residents, blocked rooms or declining demand.
Fee mix	Private, local authority, NHS/FNC/CHC, top-ups and annual uplifts.	Revenue may depend on disputed top-ups or underpriced placements.
Dependency	Needs, staffing requirement, fee correlation and reassessment process.	High dependency without fee or staffing alignment erodes margin and safety.
Referral pipeline	Sources, conversion, lost referrals, embargoes and reputation.	Forecast occupancy may not be evidence- based.
Bad debt	Aged debtors, disputes, local authority reconciliations and resident balances.	Cash conversion may differ materially from reported revenue.
Commissioner relationships	Contract compliance, quality meetings, suspensions and fee negotiations.	Weak relationships can restrict admissions or delay income.
EBITDA adjustments	Owner costs, agency, repairs, underinvestment, management charges and one-offs.	"Normalised" EBITDA may exclude costs required to operate safely.

The quality-adjusted EBITDA question

A buyer should calculate not only adjusted EBITDA, but quality-adjusted EBITDA: the earnings that remain after recognising the recurring cost of safe staffing, competent leadership, clinical oversight, mandatory systems, maintenance and sustainable regulatory compliance.

13. DIGITAL SYSTEMS, INFORMATION GOVERNANCE AND RECORDS

Systems must transfer without losing care continuity

- identify every care, medication, rota, HR, finance, maintenance and audit system;
- confirm ownership, licence terms, renewal costs, integrations, data export and termination provisions;
- assess user access, administrator dependency, backups, business continuity and cyber controls;
- review data protection registrations, privacy notices, DPIAs, CCTV and information-sharing arrangements;
- plan lawful, secure access to historic care records and retention after completion;
- ensure Day One access for the buyer, Registered Manager and frontline teams.

CONTINUITY RISK

A transaction can be commercially complete while care systems remain inaccessible. Digital access, data ownership and migration must be treated as completion-critical dependencies.

14. CONTRACTS, CONSUMER LAW AND RESIDENT FUNDS

Resident agreements require specialist review

Care-home contracts and sales practices are subject to consumer protection principles. Buyers should review whether fees, increases, deposits, additional charges, notice, death-related charges and termination provisions are transparent and fair. The CMA has published care-home consumer guidance and consumer rights information; however, transaction counsel should confirm the current legal position and any implications of case law or updated pricing guidance.

Evidence	Questions
Resident contracts and variations	Are all versions identified, signed and consistent with current charging practice?
Fee increase notices	Were contractual processes and notice periods followed?
Third-party top-ups	Are agreements lawful, current and collectible?
Resident monies	Are balances reconciled, safeguarded and independently checked?
Deposits and advance payments	Who holds them and what liability transfers?
Complaints and refunds	Are there recurring charging disputes or unresolved redress?
Local authority / NHS contracts	Are change-of-control, assignment, quality and pricing provisions understood?

15. RED FLAGS, EVIDENCE CONFIDENCE AND RISK SCORING

A red flag is not automatically a deal-breaker

Its significance depends on severity, evidence confidence, impact on people, recurrence, leadership response, cost to remedy and whether the risk can be contractually or operationally controlled. The buyer must distinguish remediable weakness from evidence of systemic failure.

PGQ Solutions evidence confidence

Grade	Description	Use in decision-making
Gold	Current, reliable, triangulated, independently credible and outcome- focused evidence.	Can support high-confidence judgement, subject to normal limitations.
Silver	Evidence is broadly reliable but has gaps in triangulation, duration or outcome measurement.	Proceed cautiously; verify material assumptions.
Bronze	Evidence exists but is incomplete, inconsistent, historic or heavily dependent on seller narrative.	Material uncertainty; require further work or protection.
Red	Evidence is absent, contradicted, unreliable or indicates false assurance.	Do not rely on the proposition; pause or treat as a major risk.

Examples of material red flags

- active enforcement, notice of proposal / decision, prosecution, conditions or undisclosed regulatory correspondence;
- placement embargo, suspended admissions or unresolved safeguarding organisational concerns;
- absence or imminent departure of the Registered Manager without credible succession;
- audit scores that conflict with direct observations, incidents or care records;
- repeated serious medicines, choking, falls, pressure damage or safeguarding events;
- unsafe fire strategy, major compartmentation defects or inability to evacuate safely;
- staffing model materially below dependency or reliant on unrecorded manager hours;
- occupancy or EBITDA dependent on rooms requiring major works or unachievable fee assumptions;
- unreconciled resident funds, disputed top-ups or material debt;
- poor data access, missing records or seller resistance to reasonable verification.

Risk scoring

Score	Definition	Transaction response
1 – Low	Controlled risk with reliable evidence and routine management.	Accept and monitor.
2 – Moderate	Some gaps, but controls are credible and improvement is achievable.	Include in integration plan.
3 – Significant	Material weakness, cost or uncertainty requiring action and protection.	Price / terms / condition / funded plan.
4 – High	Serious risk to safety, regulation, continuity or value.	Pause pending resolution; senior decision.
5 – Critical	Immediate or systemic risk outside appetite or not credibly controllable.	Withdraw unless exceptional evidence changes the position.

16. SITE VISIT AND MANAGEMENT INTERVIEW FRAMEWORK

The visit should test the investment story

Observe

- how people are spoken to, supported and involved;
- staffing visibility, response, deployment and handover;
- meals, hydration, activities and meaningful engagement;
- odour, cleanliness, laundry, bedrooms, bathrooms and communal space;
- medicines practice, infection controls and clinical escalation;
- fire doors, exits, call systems, equipment, radiators, windows and maintenance;
- leadership presence and whether staff appear comfortable speaking openly.

Ask the Registered Manager

- What are your three highest current risks and how do you know?
- What has deteriorated in the last six months?
- Which audit finding worries you most?
- What would staff say is the biggest operational pressure?
- Which people are at greatest clinical or safeguarding risk today?
- What provider support do you receive and where is it insufficient?
- What would make you remain after acquisition?
- What is not included in the information memorandum that a buyer should know?

Ask the seller / provider

- Why is the business being sold now?
- Which quality or workforce investments have been deferred?
- What risks rely on the current owner's personal intervention?
- Which commissioners, families or staff may react negatively to the transaction?
- What warranties are you prepared to give on regulatory, employment and resident information?
- What support will be available during regulatory transfer and transition?

17. INFORMATION REQUEST CHECKLIST

Core data-room request

Category	Document / evidence	Status	PGQ Solutions challenge / gap
Regulatory	All CQC reports and correspondence	Requested / Received / Verified	
Regulatory	Registration certificates and conditions	Requested / Received / Verified	
Regulatory	Enforcement, notices and action responses	Requested / Received / Verified	
Regulatory	Notifications log	Requested / Received / Verified	

Category	Document / evidence	Status	PGQ Solutions challenge / gap
Regulatory	LA/ICB quality and safeguarding correspondence	Requested / Received / Verified	
Care and clinical	Service-user list and anonymised profile	Requested / Received / Verified	
Care and clinical	Care and clinical audit programme	Requested / Received / Verified	
Care and clinical	Incidents, falls, wounds, weight loss and hospital data	Requested / Received / Verified	
Care and clinical	Medicines audits and pharmacy reports	Requested / Received / Verified	
Care and clinical	Safeguarding and complaints logs	Requested / Received / Verified	
Workforce	Organisation chart and establishment	Requested / Received / Verified	
Workforce	Rosters and dependency tools	Requested / Received / Verified	
Workforce	Agency and overtime reports	Requested / Received / Verified	
Workforce	Training, supervision and competency data	Requested / Received / Verified	
Workforce	Turnover, sickness, grievances and investigations	Requested / Received / Verified	
Workforce	Employee liability information / TUPE schedule	Requested / Received / Verified	
Governance	Risk registers	Requested / Received / Verified	
Governance	Governance minutes and dashboards	Requested / Received / Verified	
Governance	Provider / regional visit reports	Requested / Received / Verified	
Governance	Quality improvement plans	Requested / Received / Verified	
Governance	Policies and document-control register	Requested / Received / Verified	
Property	Title and lease documents	Requested / Received / Verified	
Property	Fire risk assessment and actions	Requested / Received / Verified	
Property	Legionella and water safety	Requested / Received / Verified	
Property	Asbestos, EICR, gas and equipment certification	Requested / Received / Verified	
Property	Maintenance backlog and capex plan	Requested / Received / Verified	
Property	Planning and bedroom schedule	Requested / Received / Verified	
Commercial	Monthly occupancy and fee data	Requested / Received / Verified	

Category	Document / evidence	Status	PGQ Solutions challenge / gap
Commercial	Resident contracts and fee notices	Requested / Received / Verified	
Commercial	Commissioner contracts and top-ups	Requested / Received / Verified	
Commercial	Aged debtors and resident monies	Requested / Received / Verified	
Commercial	Referral pipeline and void analysis	Requested / Received / Verified	
Commercial	Management accounts and EBITDA bridge	Requested / Received / Verified	
Digital	System inventory and contracts	Requested / Received / Verified	
Digital	Data protection and DPIAs	Requested / Received / Verified	
Digital	Backup and business continuity tests	Requested / Received / Verified	
Digital	Cyber incidents and access controls	Requested / Received / Verified	
Digital	Data migration / export arrangements	Requested / Received / Verified	

18. FROM COMPLETION TO DAY 100

Due diligence should design the integration plan

Period	Priority actions
Pre-completion	Registration, leadership retention, communications, system access, emergency contacts, payroll, insurance, pharmacy, commissioners and critical suppliers.
Day 1	Visible leadership, staff and resident reassurance, safety huddle, incident / safeguarding review, medicines and staffing assurance, access and escalation confirmation.
Days 2-7	Validate highest risks, inspect records and environment, confirm rosters, close immediate safety actions and establish daily oversight.
Days 8-30	Baseline mock inspection / assurance review, full risk register, governance calendar, workforce plan, commissioner engagement and funded improvement programme.
Days 31-60	Re-audit critical themes, embed provider visits, review fees / dependency, complete priority capex and test leadership capacity.
Days 61-100	Verify sustained improvement, board assurance, strategic plan, culture programme, system integration and post-acquisition value plan.

PGQ SOLUTIONS RULE

No acquisition risk should disappear at completion. Every accepted risk must transfer into a named action, owner, timescale, resource and assurance method.

19. WHAT A PGQ SOLUTIONS DUE DILIGENCE REPORT SHOULD CONTAIN

A dedicated transaction report

A PGQ Solutions due diligence report is distinct from an independent provider assurance report. The due diligence report includes risk to investment, value, transition and post-acquisition liabilities because those matters are central to the commissioning purpose.

Section	Purpose
Executive transaction opinion	Clear proceed / protect / pause / withdraw view and principal assumptions.
Scope and limitations	What was reviewed, sampled, unavailable and not independently verified.
Investment and strategic fit	Alignment with buyer's portfolio, operating model and risk appetite.
CQC regulatory opinion	Current mapping, likely rating implications, registration and enforcement risk.
PGQ Solutions professional assurance	Evidence confidence, governance maturity, leadership resilience and sustainability.
Domain findings	Regulatory, care, clinical, safeguarding, workforce, governance, property, commercial and digital.
Red flags and value implications	Cost, capex, occupancy, management and transaction protections.
Evidence challenge	Contradictions, missing evidence, seller assumptions and alternative explanations.
Transaction protections	Conditions, warranties, indemnities, retention, price adjustment and verification.
Post-acquisition plan	0-7 / 30 / 60 / 90-day actions, owners, evidence and assurance.

Dual-lens reporting

Regulatory lens	PGQ Solutions assurance lens
Likely CQC domain / framework position	Evidence confidence
Relevant regulations and breach risk	Governance maturity
Registration and enforcement implications	Provider assurance
Inspection readiness	Leadership resilience
Rating impact	Improvement sustainability

20. FINAL ACQUISITION QUESTIONS

1. Would we still buy this service if the current Registered Manager left tomorrow? 2. Does the current EBITDA include the real cost of safe, compliant and sustainable care? 3. What material fact would most change our valuation or decision? 4. Which assurance depends on seller narrative rather than verified evidence? 5. What risks will remain on Day One and who will own them? 6. Can we lawfully operate every regulated activity at completion? 7. What will residents, families, staff and commissioners experience during transition? 8. Can our existing governance model absorb this service without weakening the wider portfolio? 9. Are we buying a strong service, a turnaround or a property—and is the price consistent with that reality? 10. What evidence would convince an independent sceptic that the acquisition is safe and sustainable?

THE FINAL PGQ SOLUTIONS TEST

A transaction should not proceed because no fatal flaw has been found. It should proceed because sufficient, reliable and triangulated evidence supports a defensible decision and a credible plan for the risks that remain.

APPENDIX A – INITIAL GATEWAY SCORECARD

Area	Weight	Score 1-5	Weighted score	Evidence confidence
Strategic fit	10%			
CQC / regulatory	15%			
Care and clinical quality	15%			
Safeguarding / incidents	10%			
Leadership / workforce	15%			
Governance	10%			
Property / estates	10%			
Commercial / occupancy	10%			
Digital / contracts / transition	5%			

Suggested interpretation: 80-100 strong candidate; 65-79 proceed to deeper diligence; 50-64 significant conditions / uncertainty; below 50 pause or decline. A critical safety or regulatory issue overrides the total score.

APPENDIX B – EVIDENCE REQUEST REGISTER

Ref	Evidence requested	Owner	Due date	Received	Verified	Issue / action
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						

Ref	Evidence requested	Owner	Due date	Received	Verified	Issue / action
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						

REFERENCES AND REGULATORY BASELINE

1. Care Quality Commission. Buy, sell or transfer a registered business. Updated 20 August 2025.
2. Care Quality Commission. Applying as a new provider: guidance. Updated 25 March 2026.
3. Care Quality Commission. Continuation of regulatory history. Updated 4 February 2026.
4. Care Quality Commission. Regulations for service providers and managers, including Regulations 9, 15, 17 and 18. Current pages reviewed July 2026.
5. Care Quality Commission. Fundamental standards of care. Updated 3 March 2026.
6. Care Quality Commission. Draft sector-specific assessment frameworks consultation. Consultation closed 12 June 2026.
7. GOV.UK. Business transfers, takeovers and TUPE guidance, including employee information and consultation requirements.
8. Health and Safety Executive. Managing legionella in hot and cold water systems; L8 and HSG274 guidance.
9. GOV.UK. Fire safety risk assessment: residential care premises.
10. Skills for Care. Adult social care workforce data and 2025/26 size and structure report.
11. Competition and Markets Authority / GOV.UK. Care homes consumer law and consumer rights material; current legal advice should be obtained for transaction-specific interpretation.

REGULATORY REVIEW NOTE

This publication is a living PGQ Solutions insight. Regulatory mapping should be checked at the point of each transaction, particularly while CQC develops and implements revised sector-specific assessment arrangements.



THE PGQ SOLUTIONS COMMITMENT

Evidence. Assurance. Improvement.

A care acquisition should strengthen the quality and sustainability of care—not merely expand a portfolio.

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