



The legal lowdown: insights for health & social care organisations and investors

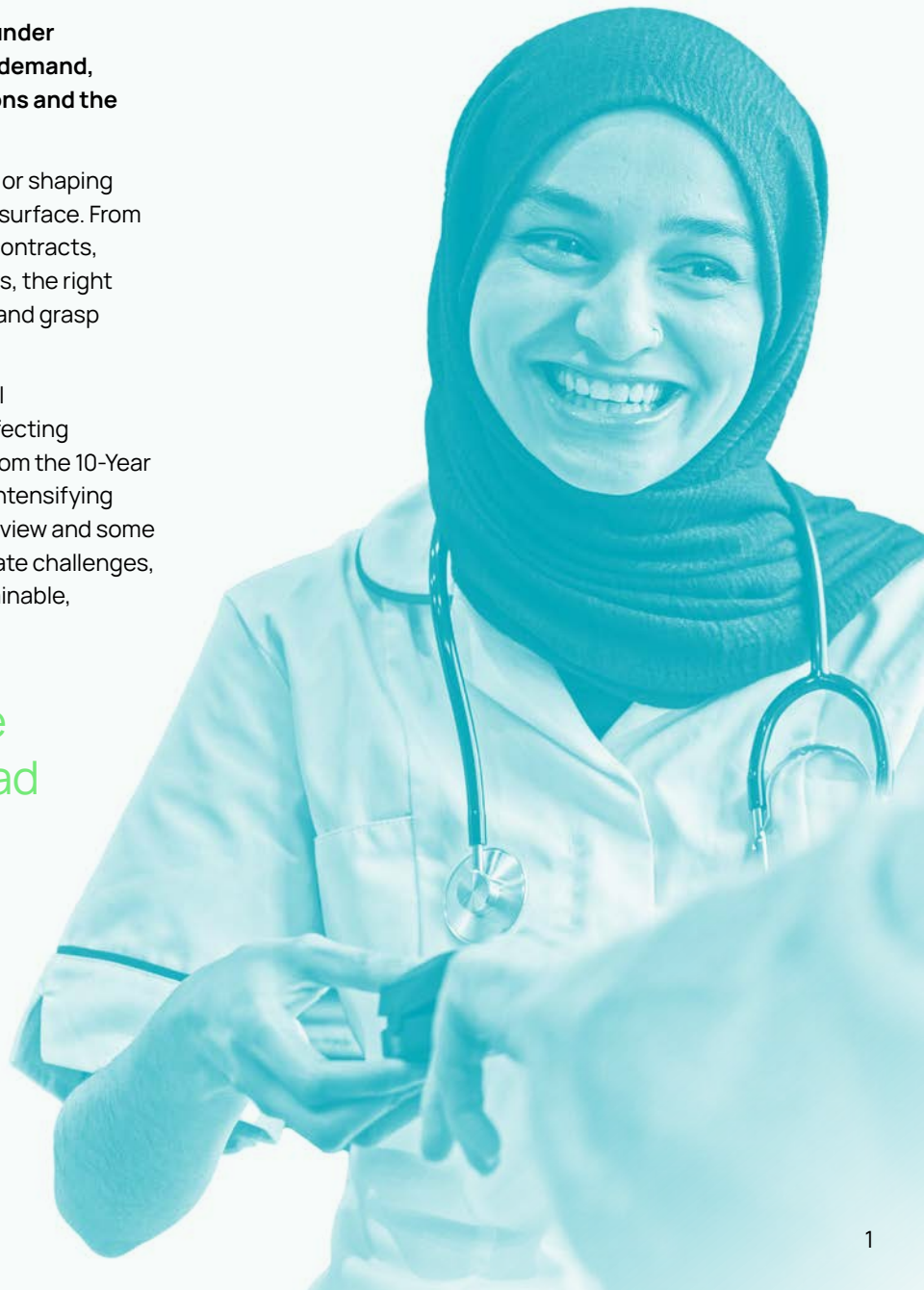
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Health and social care organisations are under more pressure than ever balancing rising demand, workforce challenges, changing regulations and the drive to innovate.

Whether you're delivering frontline services or shaping strategy, legal issues are never far from the surface. From safeguarding and governance to strategic contracts, special category data and workforce matters, the right legal advice can help you stay ahead of risk and grasp new opportunities.

This guide highlights some of the many legal developments and risk areas that we see affecting providers and partners across the sector. From the 10-Year Health Plan to new employment rights and intensifying regulatory enforcement, we provide an overview and some practical considerations to help you anticipate challenges, protect your organisation, and enable sustainable, compliant growth and service delivery.

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New UK employment rights roadmap to implementation

As the Employment Rights Bill nears final approval, the UK government has published an implementation roadmap outlining when key reforms will take effect. Major changes such as 'day one' unfair dismissal rights and predictable hours for zero-hours workers are now expected in 2027, giving employers time to prepare.

Reforms around industrial action, collective redundancies, fire and rehire, sexual harassment, flexible working, and statutory sick pay will roll out in phases from 2026.

“Early preparation will reduce dispute risks and ensure readiness for phased reforms.”

Key considerations

Healthcare & social care sector employers should take part in any consultations, assess internal policies, training needs, and legal exposure to ensure compliance and mitigate risk as the regulatory landscape evolves. The changes may reduce flexibility in using casual staff to manage fluctuating demand and potentially increase costs and operational challenges. Early preparation will reduce dispute risks and ensure readiness for phased reforms.

Long-term implications of the NHS Fit for the Future 10-Year Plan

Published on 3 July 2025, the NHS Fit for the Future 10-Year Health Plan sets out a bold strategy to address longstanding structural challenges in service delivery, access, workforce retention, and prevention. It prioritises shifting care from hospitals to communities, digitising services, and focusing on prevention.



Central to the plan are new 'single' and 'multi-neighbourhood' contracts and the creation of Neighbourhood Health Centres, designed to deliver integrated, multidisciplinary care locally. The plan signals a major shift in general practice, with GPs expected to lead neighbourhood-level care and Primary Care Networks encouraged to evolve or consolidate under new provider models.

Key considerations

Boards should assess readiness for contract transition, infrastructure integration, and lease implications. Funding clarity, governance alignment, and workforce planning will be critical. GPs and Private Care Networks must evaluate strategic positioning within new neighbourhood models. Investors should monitor Neighbourhood Health Centre rollout, private sector involvement, and long-term implications for estate, service delivery, and reimbursement.

CQC shortcomings increasing buyer exposure in M&A transactions

Following critical reports delivered by Dr Penny Dash, the UK Health and Social Care Secretary declared the Care Quality Commission 'not fit for purpose'. The reports revealed major inspection delays, outdated ratings, and systemic weaknesses in the Commission's regulatory framework.



With nearly 20% of providers unrated and some inspections over a decade old, buyers of healthcare businesses face significant challenges in assessing care quality and compliance. This has heightened the need for enhanced regulatory due diligence in healthcare mergers & acquisitions transactions. Investors must now rely less on the Commission's ratings and more on independent audits to identify risks, liabilities and operational gaps before proceeding with acquisitions.

Key considerations

Outdated or missing CQC ratings and recommendations increase risk exposure for buyers. Enhanced due diligence is essential while this remains an issue, covering compliance systems, patient safety records, workforce stability and reputational factors. Boards and investors should prepare for deeper audits, reassess risk appetite, and monitor reforms to ensure reliable regulatory benchmarks in future healthcare transactions.

Considerations for funding arrangements

Despite economic headwinds, an evolving political landscape and regulatory and workforce challenges, there remains strong appetite for investment into the healthcare sector. Demographics contributing to increasing demand for care services and an under-supply of good quality assets, demonstrate the case for continued funding. The sector also benefits from strong ESG credentials and long-income dated assets, which continue to attract funders and investors.

'...we are seeing more rigorous credit and due diligence processes...'

Whilst lender appetite remains strong and pricing is currently competitive, we are seeing more rigorous credit and due diligence processes, particularly given the current regulatory regime.

Key considerations

Organisations considering debt funding should engage with potential funders early to enable funding to conclude within the desired transaction timetable. It is important to establish whether any enhanced due diligence is required. Also, the level of financial information needed to satisfy a funder as a condition of drawing down any debt. Those operators and developers with strong ESG credentials should consider how best to demonstrate these.

CQC enforcement: rising risk and strategic implications for providers

The Care Quality Commission is intensifying enforcement against health and social care providers falling short of regulatory standards. Recent prosecutions demonstrate a growing readiness to pursue criminal sanctions where care failures result in harm or death.

Proposed changes to extend the statutory time limit for prosecutions will significantly reshape the enforcement landscape, increasing exposure to delayed legal action. Providers must adopt proactive compliance strategies, as enforcement risks now extend well beyond immediate inspection cycles and may impact reputation, operations, and legal liability.

Key considerations

Expect longer enforcement windows and increased prosecution risk. Prioritise internal audits, robust documentation, and responsive governance. Engage legal support early in serious incidents. Boards should reassess compliance frameworks and prepare for deeper scrutiny as the Commission's enforcement powers expand and regulatory expectations rise across health and social care services.

Immigration reform and the implications for workforce strategy

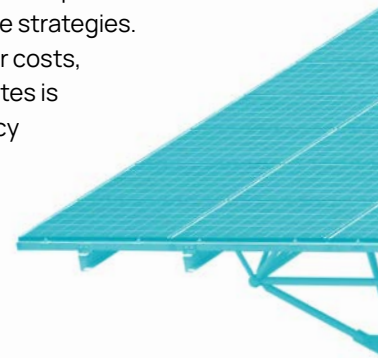
The UK Government's recent and forthcoming immigration reforms are designed to reduce reliance on overseas labour and encourage investment in local talent. Key reforms already in force include a raised skill threshold for sponsored roles, increased salary and fee requirements, and closure of the Health and Care Worker visa route for new overseas applicants.

'These reforms will inevitably impact workforce planning and likely create skills shortages in healthcare, scientific research and technology.'

Future proposed reforms include longer settlement timelines, changes to the graduate visa route and further cost increases. These reforms will inevitably impact workforce planning and likely create skills shortages in healthcare, scientific research and technology.

Key considerations

Employers should assess their reliance on sponsored roles and explore alternative workforce strategies. Reviewing visa use, planning for higher costs, and exploring non-sponsored visa routes is essential. Early engagement with policy developments will help mitigate disruption and support long-term resilience.



Powering smarter care: considerations for energy efficiency investments

With energy costs remaining volatile and the drive to decarbonise intensifying, many health and social care providers are exploring technologies like solar panels, heat pumps, and EV charging to reduce emissions and operating costs.

Financing these upgrades – through models like Energy as a Service – can unlock benefits without upfront capital expenditure. However, these arrangements carry legal and commercial risks that must be carefully managed to ensure long-term value, compliance, and control. Understanding the fine print is essential to avoid hidden liabilities and ensure the investment delivers on its promise.

Key considerations

Before signing any installation or service agreement, providers should review contract terms for pricing, performance guarantees, and exit costs. Consider how the deal aligns with your operational goals, whether landlord or lender consent is needed, and how asset ownership is handled. Legal advice can help structure agreements that protect your interests.

Succession at risk – what inheritance reforms mean for business owners

From April 2026, major changes to inheritance tax reliefs will significantly impact how privately owned health and social care businesses pass between generations. The current 100% relief on business assets will be capped at £1 million, with only 50% relief on value above that, potentially triggering substantial tax liabilities on death. For family-run providers, this could impact operations, force asset sales, or create financial strain without planning.

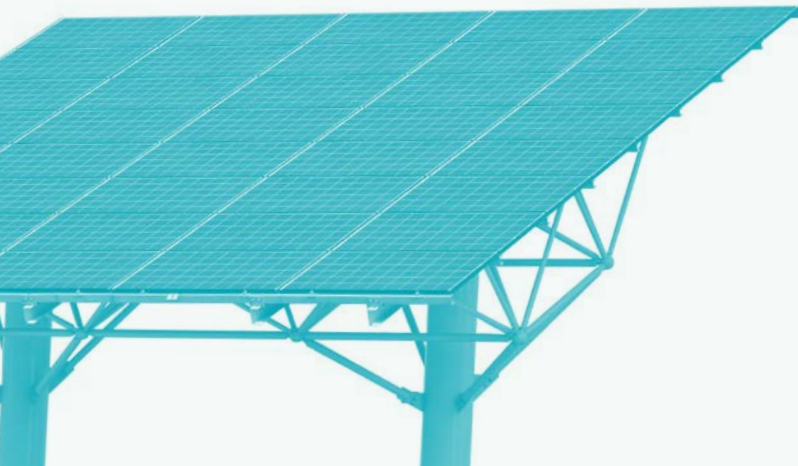
100%

100% relief on business assets
will be capped at £1 million

Key considerations

Now is the time to revisit succession plans and consider protective structures. This may include lifetime gifting strategies, reviewing ownership models and structuring, and exploring how trusts or family investment companies could help preserve control while passing on value. Life insurance may also play a role in covering future tax liabilities and ensuring continuity.

'Now is the time to revisit succession plans and consider protective structures.'



Smarter regulation: what MHRA reforms mean for providers and manufacturers

The Medicines and Healthcare products Regulatory Authority is proposing major reforms to the UK's medical device regime, aiming to speed up access to safe, innovative technologies while reducing regulatory friction. For health and social care providers and med-tech manufacturers, this could mean faster routes to market, simplified compliance, and greater alignment with international standards.

Key changes include reliance on approvals from trusted overseas regulators, streamlined labelling requirements, and a more proportionate approach to diagnostics. These reforms could unlock earlier access to cutting-edge devices, particularly AI-enabled tools, while reshaping procurement, compliance, and investment strategies across the sector.

Key considerations

Providers and manufacturers should assess how these changes affect their product portfolios, procurement processes, and regulatory planning. Now is the time to review CE-marked devices, prepare for unique device identification, and engage with upcoming consultations. Early action will help organisations stay compliant, competitive, and ready to adopt next-generation technologies.

What a ban on upwards-only rent reviews means for your property strategy

The proposed ban on upwards-only rent reviews announced in the English Devolution and Community Empowerment Bill could reshape commercial leasing for health and social care providers.

'Understanding the implications now will be key to protecting your property interests...'

These reviews have long offered landlords predictable income and stable valuations. If passed, the reforms would allow rents to fall in line with market conditions, potentially reducing income and impacting property values. For operators with long-term leases or upcoming renewals, this shift could affect financial planning, investment decisions, and negotiation strategies. Understanding the implications now will be key to protecting your property interests and adapting to a more tenant-friendly leasing environment.

Key considerations

Landlords should review lease portfolios and prepare for a shift in negotiation dynamics. Alternative rent models such as index-linked or stepped rents, may become more common. Lease renewals due in 2027/28 should be reviewed early, and valuation strategies may need to adjust to reflect reduced income certainty under the proposed reforms.



AI-enabled early-warning system will need data scrutiny

The UK government is launching an AI-enabled early-warning system to detect emerging patient-safety risks across the NHS in near real time. Embedded in the 10-Year Health Plan, it will analyse routine datasets, initially focused on maternity outcomes, to trigger faster Care Quality Commission inspections.

The system will use hospital data and staff reports to flag unusual trends, complementing existing governance. Data quality, coding accuracy, and governance processes will be critical to performance. Organisations investing in transparent, data-driven oversight will be best positioned to identify risks earlier and improve outcomes for patients, staff, and regulatory compliance.

Key considerations

Those impacted will need to consider steps to strengthen readiness and responsiveness as AI-driven oversight becomes central to patient safety strategy. This might include escalation pathways and data quality; assigning executive ownership for safety datasets; refreshing inspection-readiness protocols; updating AI governance and data-sharing policies; and ensuring transparency and equity in how signals are interpreted and addressed.



Criteria for deprivation of liberty in care settings and the community to be revisited

The Supreme Court is preparing to revisit the issue of deprivation of liberty in both inpatient and community-based health and social care settings, following a request from Northern Ireland's Attorney General. The Attorney General seeks clarification on whether the Minister for Health for Northern Ireland can revise the Deprivation of Liberty Safeguards Code of Practice to allow individuals aged 16+ to consent to confinement by expression of wishes, despite lacking capacity to make decisions about their residence and care.

'Health and social care providers should monitor the case and outcome closely..'

This approach is argued to be compatible with the European Convention on Human Rights, which protects the right to liberty. However, it appears to challenge the precedent set by a 2014 Supreme Court ruling, which held that the protections within the Convention apply even when a person lacking capacity seems content with their confinement.

Key considerations

If upheld, the decision could significantly reshape the legal framework for authorising deprivation of liberty in Northern Ireland and potentially influence wider UK practice. Health and social care providers should monitor the case and outcome closely, as it has the potential to provoke debate and possible further reform of the approach in England & Wales.

About Ashfords Healthcare team

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With a responsive and straightforward approach, our experienced lawyers use their industry expertise to help overcome challenges, seize opportunities, and achieve the results our clients need today and for the future.

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Thoroughly well-versed in
the sector...’ **Legal 500**

Helping you stay ahead

If any of the legal challenges outlined resonate, or if you're navigating other complexities, please get in touch. We'd welcome the opportunity to support you in managing risk and unlocking opportunity.

- **Healthcare sector lead (M&A):** Jocelyn Ormond
0787 267 7082 j.ormond@ashfords.co.uk
- **Banking & Finance:** Deborah Rowntree
020 7544 2426 d.rowntree@ashfords.co.uk
- **Commercial, Data & AI:** David Varney
0117 321 8024 d.varney@ashfords.co.uk
- **Corporate, Investment & M&A:** Sam Brown
020 7544 2402 s.brown@ashfords.co.uk
- **Court of Protection:** Katie Webber
0117 321 8098 k.webber@ashfords.co.uk
- **Employment & Immigration:** Kirsty Cooke
01392 333 908 k.cooke@ashfords.co.uk
- **Energy:** Jonathan Croley
01392 334 109 j.croley@ashfords.co.uk
- **Private Wealth:** Mike Westbrook
0117 937 8695 m.westbrook@ashfords.co.uk
- **Real Estate:** Ben Tarrant
07594 089652 b.tarrant@ashfords.co.uk
- **Regulatory:** Ian Manners
0117 321 8056 i.manners@ashfords.co.uk



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