



Market Report

A Snapshot of your Market Sector

Adult and Domiciliary Care

This pack has been designed to provide information on setting up a business in the Adult and Domiciliary Care industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website (www.bgateway.com/businessplan), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in June 2018. If you find the information contained in this document useful, tell us about it! Send us feedback [here](#); we will use your comments to help improve our service.

What do I need to know about the Adult and Domiciliary Care market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ The UK market for domiciliary care declined in value over 2013/14 and 2014/15 by a cumulative 7% largely due to public spending cuts coming into full effect from 2012 onwards. However, by the end of 2016/17, the value of the market is estimated to have stood at just under £84 billion - a fall of 4% since the start of the review period. (Mintel, *Domiciliary Care*, August 2017).
- ◆ Industry revenue is expected to grow at a compound annual rate of 3.6% over the five years through 2022-2023 to reach £8.5 billion. Profit margins are expected to remain constrained over the period. (IBISWorld, *Residential Nursing Care*, April 2018).
- ◆ According to the Carers Trust, around one in ten people in the United Kingdom provide unpaid care for a friend or family member. The ageing of the population has increased demand, and consequently provided an opportunity for the Learning Disability, Mental Health and Substance Abuse Facilities industry to increase its revenue, despite low government expenditure. (IBISWorld, *Learning Disability, Mental Health & Substance Abuse Facilities*, October 2017).
- ◆ Over the past ten years Local Authorities have increasingly purchased Home Care from the private and voluntary sector, rather than providing services directly themselves. In March 2016, 48% of clients were receiving services provided solely by Local Authority staff. This proportion has been decreasing each year since 2007. (National Statistics, *Social Care Services Scotland*, November 2016, revised April 2017) (tinyurl.com/k7hvhkd).
- ◆ The national organisation for this industry is [Scottish Care](#). Other industry bodies include [Scottish Social Services Council](#), [The Care Inspectorate](#), [Coalition of Care and Support Providers](#) and [Care Information Scotland](#).

Where can I find more information on my market?

The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email info@bgateway.com.

- ◆ **Mintel – Domiciliary Care (August 2017).** According to Scottish government figures, 59,780 people received home care through their local authority during a survey week in March 2016, representing a fall of 1,720 people compared to the same point in the previous year. The number of hours of care provided by the independent sector in Scotland increased by 0.5% from 392,700 hours in 2015 to 394,800 hours in 2016.
- ◆ **IBISWorld – Residential Nursing Care (April 2018).** Britain's ageing population has supported solid demand for residential nursing care over the past five years. Since the elderly comprise the largest market for industry services, the steady rise in the median age bodes well for operators. The 2011 census showed the median population age had risen to 39, from 35 in 2001. In 2016, 18% of the population was aged 65 years or over. Ageing members of the baby boom generation will continue to inflate the size of this segment, particularly as medical advances result in more people living beyond the age of 85, when many people often suffer incapacitating health problems. Furthermore, family members are increasingly unable to assume the burden of care for elderly relatives as they are also ageing, resulting in greater reliance on industry services.
- ◆ **IBISWorld – Learning Disability, Mental Health and Substance Abuse Facilities (October 2017).** Learning disability, mental health and substance abuse facilities are typically considered to be essential services for all patients. Population demographics can be a determining factor in the demand for services as many people with learning disabilities or significant mental health problems live with carers or parents. As informal carers age and become less able to care for others, there will be an increase in demand for residential care services. The elderly are also particularly vulnerable to cognitive decline, making them more likely to require the industry's services. Greater awareness of mental health issues has also contributed to growing demand for mental health services over the past five years as people have become more aware of the symptoms of mental illnesses.

There are also a number of online resources you may find helpful:

- ◆ **The Telegraph, Forty per cent rise in care home residents being evicted because of closures, June 2018** (tinyurl.com/ybfet7gn). The audit by the Association of Directors of Social Services reveals that at least two thirds of councils, and thousands of elderly residents, have experienced recent closures.
- ◆ **Insider, Scotland's care sector 'needs extra £1bn of funding, December 2017** (tinyurl.com/yab32z34). Scotland's care sector needs an extra £1 billion of funding, MSPs have heard. Donald Macaskill, Scottish Care chief executive, told a Holyrood committee the cash was a "conservative" estimate of the extra money required in the next three years, with £330,000 expected to be needed next year.

Disclaimer: please note that this research may contain copyrighted material. Copyright belongs to the holders credited above and, as such, recipients of this research reproduce and repurpose this information at their own risk.



Connect with us

How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as Yell, Thomson Local or Google Maps
- ◆ Trade specialists like EuroPages (European directory), The Wholesaler or Free Index
- ◆ Business to business (B2B) specialists such as Kompass

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the Companies House website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing info@bgateway.com or by calling **0300 013 4753**



Connect with us

What about suppliers?

[Choosing and Managing Suppliers](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please info@bgateway.com or by calling **0300 013 4753**.

Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Retaining and Grow Your Customer Base](#) (tinyurl.com/c2fw4o4) will help you to identify who your customers are, how to use this information to sell more effectively and how to actively compete in your marketplace.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these website, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the National Records of Scotland (NRS). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the Census Area Profiles. Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ Understanding Scottish Places has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ Scottish Government Statistics provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- ◆ The Scottish Household Survey provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ Office for National Statistics (ONS) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.

How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) "[Find a Chartered Account](#)" tool

Funding

[Practical information](#) on finance and funding for starting and growing your business

Insurance

[Business insurance guide](#)

Legal Help

Gov.uk "[Licence Finder](#)" tool

Law Society of Scotland's "[Find a Solicitor](#)" tool

Pricing

Business Companion [Pricing & payment guide](#).

Please note: the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

Promotion

[BG guides to Marketing](#)

Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

We hope you find this Market Report useful and we'd love to hear your feedback [here](#).

Last updated: June 2018

Updated by: Rebecca

Connect with us