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 July 2019. 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:

♦ Informal care continues to account for the majority of the total domiciliary care market, at an estimated 78% in 2017/18. This represents a half a percentage point increase over the five-year review period due to frozen spending in the statutory sector since 2013/14. The informal care sector was valued at £66.4 billion in 2017/18. (Mintel, Domiciliary Care, July 2018).

♦ The number of working age people to every pensioner, also known as the ‘old age support ratio’, is projected to fall to 3.05 by 2041 from the estimated 3.45 recorded in 2017. This will add further pressure to the affordability of social care, as the increased tax revenue the government receives from the working age population will struggle to provide care to the growing number of people of pensionable age. (Mintel, Residential Care for the Elderly, August 2018)

♦ Despite funding pressures, the Residential Nursing Care industry has recorded strong growth over the past five years, in line with rising demand from an ageing population. Industry revenue is expected to increase at a compound annual rate of 4.8% over the five years through 2018-19, including forecast growth of 2.6% in the current year, to reach £7.8 billion. However, revenue has been limited by NHS funding constraints, which have kept nursing care fees artificially low. Revenue generated from self-funded residents has therefore been key in industry growth, as state-funded resident fees are often far lower, causing many operators to consistently report operating losses. (IBISWorld, Residential Nursing Care in the UK, February 2019).

♦ Degenerative health conditions like dementia and Alzheimer’s disease, which can lead to mental health problems, are becoming more prevalent in line with the ageing of the population. Rising incomes for much of the past five-year period and a greater awareness of mental health issues have also meant that consumers are more willing to pay for services. Despite declining overall, rising demand for private services has created profit opportunities in the industry, which has led to a high rate of entry into the market. (IBISWorld, Learning Disability, Mental Health & Substance Abuse Facilities in the UK, December 2018).

♦ The national organisation for this industry is Scottish Care. Other industry bodies include the Scottish Social Services Council, The Care Inspectorate, The 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 (July 2018).** A reduction in low-intensity care by local authorities is likely to create demand for domiciliary care provision from the private sector. Care solutions that enable clients to retain their privacy and independence, such as telecare monitoring systems, have started to enter the sector, but will take time to adapt and fully complement existing care services. They should, however, help the industry cope with the increased demand expected over the coming years.

♦ **IBISWorld – Residential Nursing Care in the UK (February 2019).** The Residential Nursing Care industry is expected to continue to grow over the coming years. Industry revenue is forecast to increase at a compound annual rate of 3.1% over the five years through 2023-24 to reach £9.1 billion. Demand for residential nursing care will continue to be driven by the UK’s ageing population.

♦ **IBISWorld - Learning Disability, Mental Health & Substance Abuse Facilities in the UK (December 2018).** Low levels of funding and rising disposable incomes, as well as greater awareness of mental health issues, have led to a greater uptake of private health-care provision over the past five years. While industry profitability has declined overall, the rise in private health care has created profit opportunities in the industry, encouraging a number of new operators to enter the market. Over the five years through 2018-19, the number of industry enterprises is expected to rise at a compound annual rate of 4.5%.

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

♦ **The Scottish Government** website has a number of statistical datasets that you can access (www.tinyurl.com)

♦ **Care Home Professional, England lagging behind Scotland and Wales in social care spending per person, May 2019.** The Health Foundation reveals that England has fallen further behind Scotland and Wales since 2010/11 when it spent £345 per person compared with £457 in Scotland (32% more) and £445 in Wales (29% more). (www.tinyurl.com)

♦ **Home Care Insight, Scottish entrepreneurs launch live-in care service, creating 100 jobs, April 2019.** The new round-the-clock service is designed to offer an alternative to care homes, providing one-to-one care for elderly people who wish to remain at home for as long as possible. (www.tinyurl.com).

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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
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](mailto:info@bgateway.com) or by calling [0300 013 4753](tel:03000134753).

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* 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)](http://nrs.uk). 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](http://census.scotland.gov.uk). Clicking on your area of interest will give the latest population figures, including estimates by age.
- [Understanding Scottish Places](http://understandingscottishplaces.gov.scot) 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](http://www.scottishgovernment.gov.scot) provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- [The Scottish Household Survey](http://www.scottishgovernment.gov.scot) provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- [Office for National Statistics (ONS)](http://www.ons.gov.uk) 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 Accountant” 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

**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

**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.

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You must not rely on the information in the report as an alternative to advice from an appropriately qualified professional. If you have any specific questions speak to your Business Gateway Advisor or consult an appropriately qualified professional.

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**Updated by:** Liesel