



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 **October 2020**. 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 value of adult social care in the UK is expected to grow by **16% between 2020/21 and 2024/25**, with total spend in the market forecast to be worth close to **£51.1 billion** – excluding the value of informal care. Both domiciliary and residential care are estimated to surpass their respective five-year growth rates from between 2015/16 and 2019/20 with the domiciliary care market expected to grow by 20% and the residential care sector expected to **rise by 12%**. (Mintel, *Adult Social Care: Inc Impact of COVID-19 - UK*, August 2020).
- ◆ Over the five years through 2019-20, industry revenue is expected to **grow at a compound annual rate of 2.8% to reach £4.7 billion**. This includes expected growth of 3.9% in the current year. During the past five-year period, the industry has benefited from rising demand for industry services due to the ageing of the UK population (IBISWorld, *Domiciliary Care in the UK*, February 2020).
- ◆ Industry demand has risen steadily in recent years in line with the ageing of the UK population. However, revenue growth has been limited by state involvement, which has kept care fees artificially low for a large proportion of nursing home residents. Revenue is expected to **grow at a compound annual rate of 4.7% over the five years through 2019-20, including a forecast 1.9% increase in the current year, to reach £7.9 billion** (IBISWorld, *Residential Nursing Care in the UK*, March 2020).
- ◆ Over the five years through 2025-26, industry revenue is forecast to rise at a compound annual rate of **1.5% to reach £1.1 billion**. The government has pledged additional funding for mental health services over the next five years as part of its long-term plan for the NHS (IBISWorld, *Learning Disability, Mental Health and Substance Abuse Facilities in the UK*, June 2020).
- ◆ The national organisation for this industry is [Scottish Care](#). Other industry bodies include [The Care Inspectorate](#), the [Scottish Social Services Council](#), 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.

- ◆ **IBISWorld – Domiciliary Care in the UK (February 2020):** The main users of services provide by the Domiciliary Care industry are the elderly, as these consumers generally have a higher rate of medical complications that require care. The number of people aged 65 and over can be used as a proxy to estimate the size and the growth of the industry's market, and therefore the level of demand for the industry.
- ◆ **IBISWorld – Residential Nursing Care in the UK (March 2020):** This industry is likely to be impacted as a result of the global COVID-19 pandemic with all vulnerable people with pre-existing conditions being advised to stay at home and the government has implemented plans to provide residential care home operators with personal protective equipment to help carry out services.
- ◆ **IBISWorld – Learning Disability, Mental Health and Substance Abuse Facilities in the UK (March 2020):** The mental challenges faced by people, ranging from anxiety over job losses to depression arising from isolation, have significantly impacted their mental wellbeing. As a result, demand for industry services is expected to increase.
- ◆ **Mintel – Adult Social Care: Inc Impact of COVID-19 - UK (August 2020):** The number of residential care homes registered in the UK declined by 9% between 2016 and 2020 to 12,543 homes. There was a 6% decline in the number of care homes offering nursing care services between 2016 and 2020, from 5,428 to 5,120. A significant portion of homes with nursing offer both residential and nursing care, with some nursing services not available to all residents – depending on specific care requirements.

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

- ◆ **Scottish Government: Coronavirus (COVID-19): adult care homes data (August 2020)** – weekly data on COVID-19 in adult care homes in Scotland (tinyurl.com/y7woen48).
- ◆ **The Scottish Government** website has a number of statistical datasets that you can access (tinyurl.com/y2cyc9jp)
- ◆ **University of Stirling – Scottish Care Homes and COVID-19 (May 2020)** *This paper discusses the evolution of mortality in Scottish care homes during the outbreak. At the time of writing (18th May), the COVID-19 outbreak has not been brought fully under control, so future updates to this paper will document a more complete picture of its effects on Scotland's care home population* (tinyurl.com/y56h76kj)

Disclaimer: This report has been updated in October 2020 - we have included Post COVID-19 market material where available. 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.

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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**



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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 [Market and customer research](#) will help you to identify new trends, opportunities, customers and competitors.

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 websites, 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 Accountant](#)" 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](#).

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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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