



Market Report

A Snapshot of your Market Sector

Counselling

Cost of Doing Business Support

For information on **reducing the cost of running your business**, the [Find Business Support](#) website has links to advice, funding and regional support.

This pack has been designed to provide information on setting up a business in the **counselling** 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 **September 2023**. 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 counselling 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:

- ◆ Over the five years through 2028-29, industry **revenue is forecast to rise** at a compound annual rate of 2.5% to reach £1.3 billion. The government pledged additional funding of **£2.3 billion a year for mental health services by 2023-24** as part of its NHS Long Term Plan. It has also committed to providing £780 million over the three years through 2024-25 to rebuild the drug treatment system, including expanding treatment places by 20%. This funding may relieve some of the financial pressures currently facing facilities. However, Brexit and stikes across care services may threaten industry profitability, primarily by exacerbating current staff shortages. (IBISWorld, *Learning Disability, Mental Health & Substance Abuse Facilities in the UK*, July 2023).
- ◆ There is a growing focus on supporting employee wellbeing through physical and mental health prevention, and key issues for employers include reducing sickness rates and improving productivity. According to the ONS's latest data, **mental health conditions including stress, anxiety and depression accounted for 12% of sickness in the workplace**. When comparing reasons given for sickness absence in the public sector and private sector, mental health conditions were reported more frequently in the public sector (14% absences compared with 7.7% of absences in the private sector). (Intel, *Occupational Health – UK – May 2022*).
- ◆ Despite some of these challenges, the industry revenue is projected to **grow** at a compound annual rate of **0.5% over the five years through 2023-24 to £627.1 million**. Factors such as rising unemployment, reduced employer confidence, and tight corporate budgets dented the demand for wellness services. The shift to remote work since the outbreak in 2020 continues to be a challenge to services in unprecedented ways. The corporate wellness industry has rebounded, with an **anticipated 3.0% growth rate in 2023-24** and has a bright future ahead. However, poor economic conditions, including high inflation in the two years through 2023-24, have caused businesses to cut their spending budgets and hamper industry demand. (IBISWorld, *Corporate Wellness Services in the UK*, July 2023).
- ◆ Industry bodies include [Counselling and Psychotherapy in Scotland](#), the [British Association for Counselling and Psychotherapy](#), the [British Psychotherapy Foundation](#), the [National Counselling Society](#), the [British Psychoanalytic Council](#), [Accredited Counsellors, Coaches, Psychotherapists and Hypnotherapists](#), and the [Maternal Mental Health Alliance](#).

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 - *Private Healthcare in the UK*** (June 2022). The pandemic has led to the largest shift in business focus and priority towards employee health and wellbeing – especially in mental health. Employees, themselves, are also becoming more observant of their own health which has significantly boosted growth in B2C healthcare – most notably in areas such as private GP services, diagnostics, monitoring, and testing.
- ◆ **IBISWorld - *Learning Disability, Mental Health & Substance Abuse Facilities in the UK*** (July 2023). Treating mental health conditions requires specialised staff that are scrutinised by the Care Quality Commission, so there's significant pressure on facilities. Degenerative health conditions like dementia, which can lead to mental health problems, are rising in line with the ageing population, boosting demand for facilities. Greater awareness of mental health issues, driven largely by campaigns led by high-profile figures like Prince William has increased demand.

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

- ◆ **COBRA Counsellor/Psychotherapist Business Opportunity Profile** – Accessed from National Library of Scotland (tinyurl.com/32r8wn82) this includes *key market issues and trends, trading, commercial and legal issues and legislation*.
- ◆ **ScotPHO** – Scottish Public Health Observatory (www.scotpho.org.uk) helps in the collection and use of data on a wide range of health statistics, including information on mental health (tinyurl.com/ydbcehfe).
- ◆ **The Scottish Health Survey Topic Report: Mental Health and Wellbeing** - this Government report has a section on the nation's mental health and wellbeing. (tinyurl.com/y3pvnvfp)
- ◆ **The Mental Health Foundation** is a charity which publishes a range of documents and research (www.mentalhealth.org.uk/publications) including Fundamental Facts about Mental Health 2016. (tinyurl.com/ydd8pse2)
- ◆ **Scottish Government Mental Health Strategy 2017-2027** - This report sets out the government's vision for mental health provision, ensuring that people have access to the right help and the right time. (tinyurl.com/y2epl9vb)
- ◆ **The Counselling Directory** lists professional counsellors and psychotherapists as well as publishing statistics (www.counselling-directory.org.uk/)
- ◆ **Mental Health Services** – further information about fees and services from the NHS (www.nhs.uk)

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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 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 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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