

Residential Care for the Elderly - UK - August 2018

Report Price: £1495.00 | \$2018.70 | €1682.47

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



“Alongside restrictive operating margins, care homes face an ongoing challenge to recruit and retain staff, with many operators reporting that they are increasingly competing with other low-pay sectors, such as supermarkets, who are actively recruiting and offering attractive pay rates.”

– Lewis Cone, B2B Analyst

This report looks at the following areas:

- Green paper delay leading to uncertainty
- Provider insolvencies and poor quality of care in homes adding to industry pressures

The value of the UK residential care market is estimated to have increased by 11% between 2014 and 2018 to just over £21 billion. Growth in the sector has been driven by increases in the number of patients and the intensity of care required by those patients, with many care homes specialising in dementia care or introducing nursing care services.

There are approximately 8,000 residential care providers, with the largest 150 organisations holding an approximate 40% market share.

**BUY THIS
REPORT NOW**

VISIT:
store.mintel.com

CALL:
EMEA
+44 (0) 20 7606 4533

Brazil
0800 095 9094

Americas
+1 (312) 943 5250

China
+86 (21) 6032 7300

APAC
+61 (0) 2 8284 8100

EMAIL:
reports@mintel.com

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

Residential Care for the Elderly - UK - August 2018

Report Price: £1495.00 | \$2018.70 | €1682.47

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

Overview

What you need to know

Covered in this Report

Executive Summary

The market

Market value reaches high in 2018 but growth slows

Figure 1: UK residential care market, by value, 2014-18, (£ million)

Old age support ratio to continue to decline

Figure 2: Old age support ratio, 2018-43, (ratio)

Market value to rise by 7% to 2023

Figure 3: Forecast UK residential care market value, 2018/19-2022/23, (£ million at 2018 prices)

Companies and brands

The consumer

68% of people have not thought about how they would fund their long-term care

Figure 4: Residential care payment plans, April 2018, (% of respondents)

Nearly a third put performance rating as most important factor behind choice of home

Nearly three-quarters believe that CCTV camera installation would stop negative treatment of residents

What we think

Issues and Insights

Green paper delay leading to uncertainty

The facts

The implications

Provider insolvencies and poor quality of care in homes adding to industry pressures

The facts

The implications

The Market – What You Need to Know

Market value reaches high in 2018 but growth slows

Local authority expenditure

Market value to rise by 7% to 2023

Market Size

Market value reaches high in 2018 but growth slows

Figure 5: UK residential care market, by value, 2014-18, (£ million)

Figure 6: UK residential care market, by number of registered care homes, 2014-18, (units)

Figure 7: UK residential care market, by number of registered places, 2014-18, (000)

Shortage in care home places is starting to arise

Trend towards larger homes

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Residential Care for the Elderly - UK - August 2018

Report Price: £1495.00 | \$2018.70 | €1682.47

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 8: Average number of places, revenue per care home and revenue per place, UK, 2014-18, (average number of places, revenue in £000)

Market Segmentation

Accommodation type

Figure 9: Segmentation of the UK residential care market, by type of accommodation, 2014-18, (number of homes, sheltered housing in 000 units)

Care purchaser

Figure 10: Segmentation of the UK residential care market, by type of purchaser, 2014-18, (£ million)

Provider type

Figure 11: Segmentation of the UK residential care market, by type of provider, 2014-18, (£ million)

Local authority expenditure

Figure 12: Segmentation of local authority-commissioned residential and nursing care expenditure, by provider and client type, 2014-18, (£ million)

Figure 13: Segmentation of local authority-commissioned residential and nursing care expenditure, by provider and service type, 2014-18, (£ million)

Older people (65+) expenditure

Figure 14: Segmentation of local authority expenditure on residential care services for older people (65+), by service type, 2014-18, (£ million)

Adults aged 18-64 expenditure

Figure 15: Segmentation of local authority expenditure on residential care services for adults aged 18-64, by service type, 2014-18, (£ million)

NHS Care Expenditure

Figure 16: Segmentation of NHS expenditure on residential and nursing care, by provider type, 2014-18, (£ million)

Private care purchasers

Figure 17: Private expenditure on residential and nursing care, 2014-18, (£ million and % market share)

Sheltered housing

Figure 18: The development of sheltered housing in the UK, 2014-18, (000 units and % change)

Extra care housing

Market Forecast

Market value to rise by 7% to 2023

Figure 19: Forecast segmentation of the UK residential and nursing care market, by type of purchaser, 2019-2023, (£ million)

Shortfall in number of homes and beds expected

Technology use could free-up carer time and reduce costs

Market Trends

Old age support ratio to continue to decline

Figure 20: UK population projections, by age group, 2018-43, (000 people)

Care worker and manager turnover rates rise although average wages have generally improved

Figure 21: Annual workforce turnover rates in the adult residential care sector, England, 2016-17, by employee position, (%)

Figure 22: Average annual pay in the adult residential care sector, England, 2016-17, by employee position, (£)

Home care accounts for majority of social care's delays in transfer of care from NHS hospitals, but residential and nursing care figures also remain high

Cost of the average care home residency has reached a record high

Occupancy rates reach 11-year high

Market Drivers

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Residential Care for the Elderly - UK - August 2018

Report Price: £1495.00 | \$2018.70 | €1682.47

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

The ageing population and changes to the pension system will affect the industry's operating model
 Staff costs continue to rise due to the increased NLW and NMW rate, but U-turn over 'sleep-in' back pay has provided temporary relief
 Implications of Brexit

Legislation

Care Standards Act
 Regulation and Inspection of Social Care (Wales) Act
 The Carers (Scotland) Act
 The Care Act 2014 and Better Care Fund
 CQC and Market Oversight
 Pensions Act
 Other legislation

Companies and Brands – What You Need to Know

Anchor and Hanover plan to merge to become the largest provider of care for older people in England
 Providers are choosing to construct high-quality homes and retirement villages that target the growing self-funder market

Industry Structure

Industry development
 M&As and other industry movements
 Market share
 Changes in the Structure of the Industry
 Figure 23: Analysis of the changes in the structure of the 'residential nursing care activities' industry, 2013-17, (number of local units and businesses)
 Figure 24: Analysis of the changes in the structure of the 'residential care activities for the elderly and disabled' industry, 2013-17, (number of local units and businesses)
 Figure 25: Analysis of the changes in the structure of the hospital activities - medical nursing home activities industry, 2013-17, (number of outlets and businesses)
 Structure by employment
 Figure 26: Analysis of the employment structure of the residential nursing care activities industry, 2016-17, (number of outlets and outlet employment size)
 Figure 27: Analysis of the employment structure of the residential care activities for the elderly and disabled industry, 2016-17, (number of outlets and outlet employment size)
 Figure 28: Analysis of the employment structure of the hospital activities - medical nursing home activities industry, 2016-17, (number of outlets and outlet employment size)
 Structure by turnover
 Figure 29: Analysis of the Financial Structure of the Residential Nursing Care Activities Industry, 2016-2017, (£ 000 and % of Total Turnover)
 Figure 30: Analysis of the financial structure of the residential care activities for the elderly and disabled industry, 2016-17, (£ 000 and % of total turnover)
 Figure 31: Analysis of the financial structure of the hospital activities - medical nursing home activities industry, 2016-17, (£ 000 and % of total turnover)

Competitive Strategies

Anchor and Hanover plan to merge to become the largest provider of care for older people in England
 Providers are choosing to construct high-quality homes and retirement villages that target the growing self-funder market
 Digitising operational processes could lead to much needed cost savings and improve service provision

Company Profiles

Abbeyfield Society
 Recent company activity
 Financial information

BUY THIS
 REPORT NOW

VISIT: store.mintel.com
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
 Americas +1 (312) 943 5250 | China +86 (21) 6032 7300
 APAC +61 (0) 2 8284 8100 |
EMAIL: reports@mintel.com

Residential Care for the Elderly - UK - August 2018

Report Price: £1495.00 | \$2018.70 | €1682.47

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 32: Financial analysis of Abbeyfield Society, 2013-17, (£ million)

Barchester Healthcare

Recent company activity

Financial information

Figure 33: Financial analysis of Barchester Healthcare, 2012-16, (£000)

Four Seasons Healthcare

Recent company activity

Financial information

Figure 34: Financial analysis of Four Seasons Health Care, 2013-17, (£ million)

HC-One

Recent company activity

Financial information

Figure 35: Financial analysis of HC-One, 2013-17, (£ million)

Housing & Care 21

Recent company activity

Financial information

Figure 36: Financial analysis of Housing & Care 21, 2013-17, (£ million)

Sanctuary Care

Recent company activity

Financial information

Figure 37: Financial analysis of Sanctuary Care, 2013-17, (£ million)

The Consumer – What You Need to Know

68% of people have not thought about how they would fund their long-term care

Nearly a third put performance rating as most important factor behind choice of home

Nearly three-quarters believe that CCTV camera installation would stop negative treatment of residents

Care Payment

68% of people have not thought about how they would fund their long-term care

Figure 38: Residential care payment plans, April 2018, (% of respondents)

Half of women over-65 have considered the financial consequences of care compared to less than a third of men over 65

Figure 39: Residential care payment plans, by age and gender, April 2018, (% of respondents)

Personal savings expected to fund long-term care

Figure 40: Residential care payment method, April 2018, (% of respondents)

Choosing a Care Home

Nearly a third put performance rating as most important factor behind choice of home

Figure 41: Residential Care Home Choice Factors, by Rank of Importance, April 2018, (% of Respondents)

Sources of Information

Reviews and open days are most useful guides in selecting a home

Figure 42: Residential care home information sources, by rank of importance, April 2018, (% of respondents)

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Residential Care for the Elderly - UK - August 2018

Report Price: £1495.00 | \$2018.70 | €1682.47

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Care Home Opinion

Nearly three-quarters believe that CCTV camera installation would stop negative treatment of residents

Figure 43: Residential care home opinion, April 2018, (% of respondents)

Women have stronger opinion on CCTV in homes and higher guilt about moving a family member into a home

Figure 44: Residential care home opinion, by gender, April 2018, (% of respondents)

Appendix – Data Sources, Abbreviations and Supporting Information

Abbreviations

Methodology

Further Sources and Contacts

Trade associations

Trade magazines

Trade events

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com