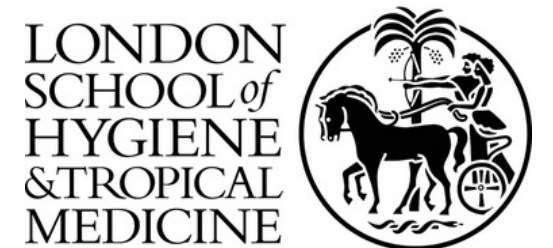


# Understanding the adult social care market in England

Dr Keyi Li<sup>1</sup> & Professor Shereen Hussein<sup>2</sup>

## Background



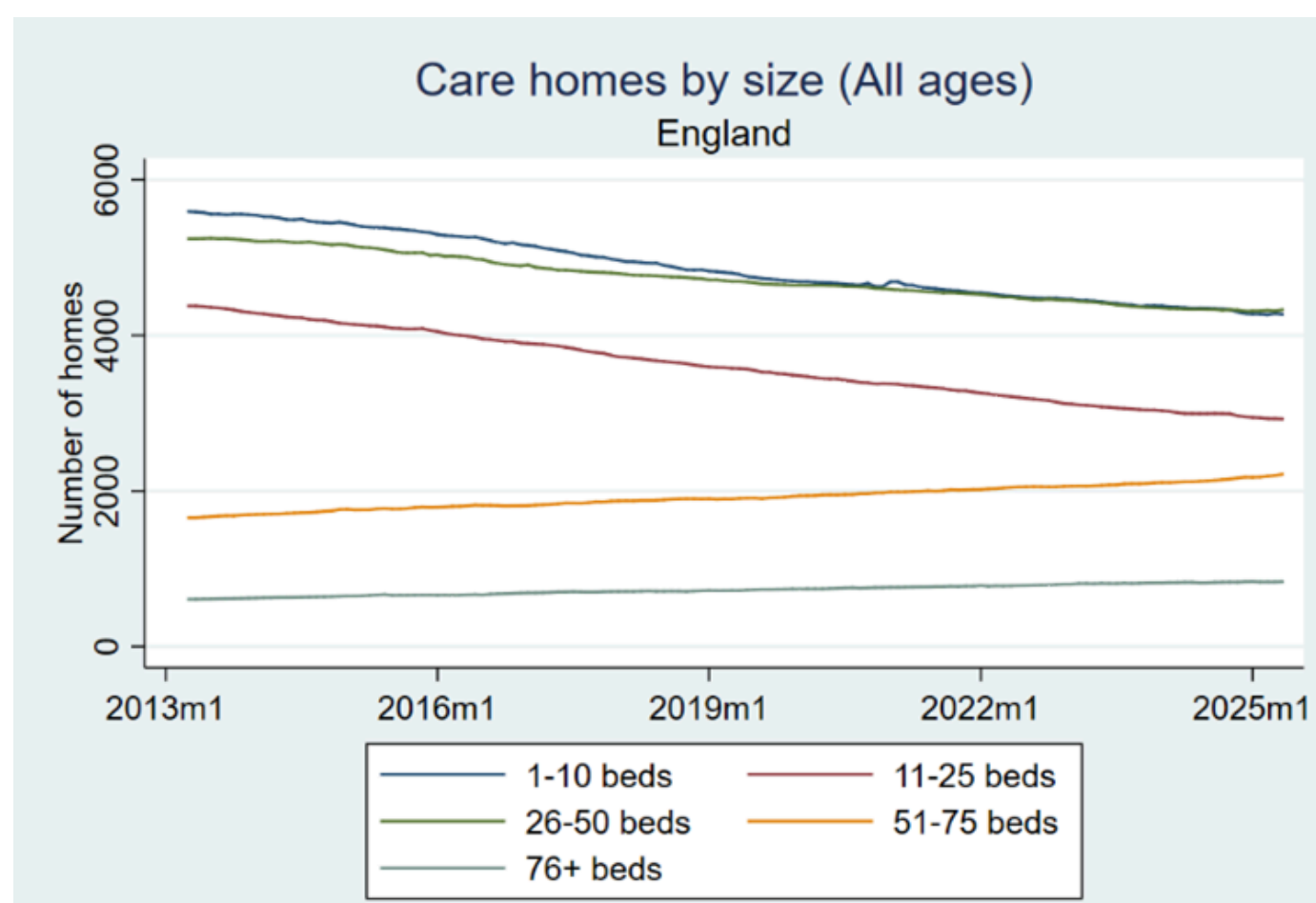
The English adult social care market is a complex system comprising various services, diverse funding sources, and numerous care providers. Social care, or long-term care as known internationally, primarily aims to support individuals who struggle to live independently, including older people, people with disabilities, and those with long-term conditions. Social care services encompass personal care that facilitates independent living, such as assistance with washing, cooking, dressing, and other activities to help care receivers stay active and engaged in their communities.

There are various social care settings, including care homes, home (or domiciliary) care and other settings such as day care and community centres. Care homes include residential facilities where individuals receive round-the-clock support, while home care allows people to remain in their homes with assistance for daily activities. Other social care services include supported living, community agencies and shared lives, which offer specialised support to those in need. However, these specialised services have relatively smaller market shares than care homes and home care.

A combination of public and private sources funds England's adult social care market. Public funding comes from central government grants and local authorities, with a small contribution from the NHS. However, a significant portion of care is privately financed by self-funders who pay out of pocket. According to the Office for National Statistics, 37% of care home residents (Office for National Statistics, 2023a) and 23 % of people using community care services (Office for National Statistics, 2023b) were self-funding their care in 2022 - 2023. The higher level of public funding for community-based care partly reflects the formula used in the means test, as the value of an individual's home is excluded when they receive care at home. Nationally, fewer than half of requests for state-funded social care were approved for any form of public funding, highlighting reliance on out-of-pocket contributions (NHS England, 2024).

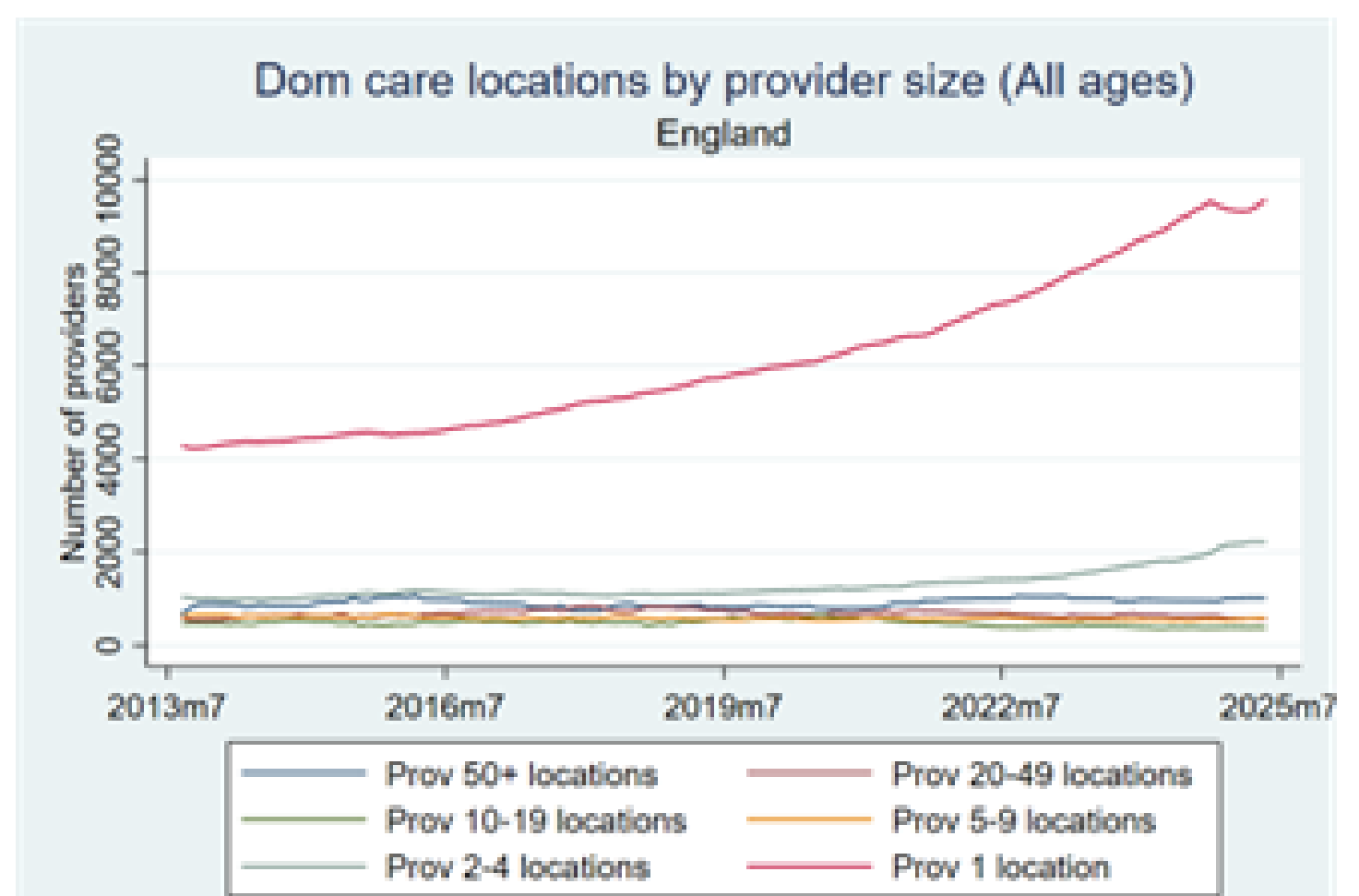
The social care market consists of both formal and informal providers. Formal providers include care homes, home care agencies, live-in care agencies, and community services, all regulated by the Care Quality Commission (CQC) to ensure the quality and safety of the services they provide. Skills for Care, the strategic workforce development and planning body for adult social care in England, is responsible for generating workforce intelligence but does not regulate care workers or have responsibility for ascertaining their qualifications or skills. Informal carers, often unpaid family members or friends, provide substantial care, with Local Authorities having a duty to support them under the Care Act 2014. Additionally, there is a growing quasi-formal workforce through private arrangements, facilitated by the expansion of Personal Budgets (cash-for-care) and the live-in care market. The absence of a single responsible body overseeing all types of social care workforce raises concerns about the consistency and quality of care.

Analysis of the registered formal social care providers shows distinct trends based on the social care market data (Department of Health & Social Care, 2025a). The number of care homes decreased from around 17,000 in 2014 to below 15,000 in 2025, while the number of beds remained stable. This indicates a shift towards larger care homes, with those having 51+ beds increasing, while smaller homes with 1-50 beds are declining. Conversely, domiciliary care agencies have surged from about 7,500 to almost 15,000 over the past decade. This growth is mainly due to increased single-location providers, which doubled from just over 4,000 to more than 9,000.



**‘The number of care homes with more than 50 beds increased while the number of care homes with less than 50 beds decreased, suggesting English care homes tend to grow bigger.’**

**‘The number of domiciliary care agencies increased, driven by increased single-location providers.’**



## Findings

Understanding the implications of divergent trends in care home and domiciliary care provision is essential. The decrease in the number of smaller care homes and the rise of single-location domiciliary care agencies affect how care is delivered and how recipients are likely to experience it. These trends may influence the quality of care and the overall effectiveness of the social care market in responding to local population needs.

The evolving landscape of England's adult social care market highlights the importance of robust regulation and support systems to ensure high-quality care for all recipients. The increasing reliance on informal and quasi-formal care providers, combined with the shifting trends in care provision, necessitates a comprehensive approach to workforce development and integration. The newly updated Skills for Care report, "A workforce strategy for adult social care in England" (Skills for Care, 2025), and the Social Care Workforce Reforms Guidance, "[Care workforce pathway for adult social care: overview](#)" (Department of Health & Social Care, 2025a), pave the way towards this goal. There is an urgent need to address these challenges while accounting for a dynamic care market to foster competitive, effective, and equitable social care services that meet the growing demands and ensure positive outcomes for care recipients across the nation.

The adult social care market in England is a diverse and complex ecosystem characterised by various types of care provision and funding sources. Current research conducted by the NIHR Policy Research Unit in Health and Social Care Systems and Commissioning (formerly known as PRUComm) aims to provide more nuanced insights into England's adult social care market. Specifically, [this project](#) seeks to explore how the current composition of home care and care home provision and usage varies across regions, and what these variations imply for the priorities set out in the recent [10-Year Health Plan](#) (Department of Health and Social Care, 2025b) to shift care from hospitals to community-based settings. This will effectively help policymakers design evidence-based strategies to foster a competitive, effective, and equitable social care market that meets the growing demands and ensures positive outcomes for all care recipients.



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