

Information Rights Team

The Insolvency Service
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Our ref: FOI24/25-176 Date: 9 April 2025

Dear

Re: Freedom of Information Act (FOIA) Request

Thank you for your email of 11 March 2025 in which you requested from the Insolvency Service:

"I am writing to request information under the Freedom of Information Act 2000 regarding insolvencies in the UK care sector. Specifically, I would like to request:

- The number of care homes and domiciliary care providers that have entered administration, liquidation, or any other form of insolvency over the past 24 months.
- A breakdown of insolvency cases by month, region and provider type (if available).
- Any relevant reports or summaries the Insolvency Service holds on financial distress in the care sector."

Your request has been dealt with under the Freedom of Information Act 2000 (FOIA).

I can confirm the agency holds some of the information that you have requested.

The total number of company insolvencies split by Standard Industrial Classification back to 2015, is available in the <u>monthly company insolvency statistics</u>. Table 1C for England and Wales, Table 4b for Scotland. Section Q, division 87 on row 354 shows 'Residential care activities'. You may also be interested in division 88 (Social work activities without accommodation) and division 86, group 869 (Other human health activities).

You may also find the quarterly <u>industry tables</u> useful, which in addition to the monthly company statistics, provide this data by insolvency type.

Annex A presents company insolvencies by month between 1 January 2023 and 31 January 2025, region/country (Includes Northern Ireland) and 3-level-SIC codes for divisions 87, 88 and group 869 of division 86.

The region or country pertains to the company address on the Companies House register as at the date the insolvency was registered.

Please note there are known accuracy issues with company address information held. Therefore, caution needs to be taken when interpreting the information provided in this letter and the attached document(s).

The information the agency holds is the address recorded on the Companies House register on the date the insolvency is registered with Companies House. This address is often the address of the insolvency practitioner (IP), who acts as an officeholder in an insolvency procedure, rather than the location of the company before it became insolvent.

Note that even where the data does accurately represent the registered address of a company, it may not necessarily reflect the location(s) of company activity or operation.

Company location information is not routinely published within the monthly official statistics series since the accuracy of the company address information held by the Insolvency Service does not meet the official statistics quality standards.

Because this information is reasonably accessible to you the agency is not obliged to provide you with a separate copy of the information pursuant to the exemption at section 21 of FOIA.

The agency does not hold any relevant reports or summaries on financial distress in the care sector.

Under section 16 of the Act (Advice and Assistance) you may find it useful to note:

The counts provided in Annex A include compulsory liquidations, creditors' voluntary liquidations, corporate voluntary arrangements, administrations, administrative receiverships, and moratoriums. Solvent company closures such as members' voluntary liquidations and dissolutions are not included in these counts.

Data for insolvency procedures except for compulsory liquidations in England & Wales are sourced from Companies House, with the registration date based on the date that an insolvency was registered at Companies House. Companies House carries out its statutory functions of maintaining the registry of corporate bodies that are regulated by the Companies Act 2006. Compulsory liquidations in England and Wales are sourced from a live administration system managed by the Insolvency Service. The registration date for these is the court order date.

Industry breakdowns have been presented in line with the Standard Industrial Classification (SIC 2007). Companies self-report their sector (or industry) at the time of registration at Companies House. Where a company has multiple SIC codes, only the first code is included in the data used for this response. Furthermore, a company may have changed its primary business since first registration, or the industry sector might be recorded as that of its holding company and appear under "activities of holding companies".

The industry SIC code for compulsory liquidations in England and Wales is recorded under the SIC 2003 classification. To obtain SIC 2007 codes for these, companies are matched

against the Companies House register where possible, and SIC data are drawn from this source. Where matching is not possible, the 2003 SIC code has been converted to a 2007 code using a 'best match' approach using weighted tables provided by the Office for National Statistics.

Companies with multiple insolvency procedures are included multiple times to give a full record of all registered insolvencies. Administrations which have directly resulted in a creditors' voluntary liquidation are included only as administrations. Similar information for administrations converting to a compulsory liquidation or to a company voluntary arrangement is not available so these are counted as both insolvency procedures.

These statistics may also not align with information published separately by Companies House or with data extracted from the Gazette. For further information on why numbers may not align, please refer to the Company Insolvency Statistics Methodology and Quality document.

Complaints

If you are not satisfied with the response we have provided you and would like us to reconsider our decision by way of an internal review (IR), please contact our Information Rights team within 40 working days of this letter at foi@insolvency.gov.uk or by post at:

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The Insolvency Service
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Cannon House
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You also have the right to contact the Information Commissioner's Office (ICO) if you wish for them to investigate any complaint you may have regarding our handling of your request. However, please note that the ICO is likely to expect an IR to have been completed in the first instance.

Kind regards

Information Rights Team The Insolvency Service

The Department for Business and Trade, Official receivers and the Adjudicator are Data Controllers in respect of personal data processed by the Insolvency Service. For the details about how personal data is processed by the agency, please see the full Insolvency Service Personal Information Charter here:

 $\underline{\text{https://www.gov.uk/government/organisations/insolvency-service/about/personal-information-charter}$